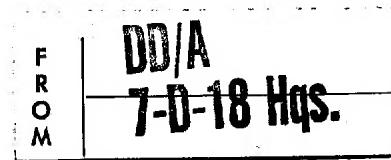
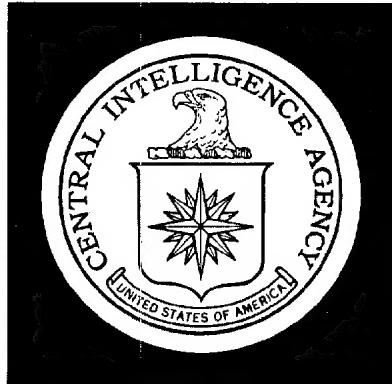


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CIA HISTORICAL STAFF

The Support Services Historical Series

PERSONNEL ADMINISTRATION
AN OVERVIEW, 1946-68

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OP - 10

April 1972

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THE SUPPORT SERVICES HISTORICAL SERIES

OP - 10

PERSONNEL ADMINISTRATION

AN OVERVIEW, 1946-68

25X1A *by*

[REDACTED]

April 1972

25X1A

[REDACTED]

Harry B. Fisher
Director of Personnel

HISTORICAL STAFF

CENTRAL INTELLIGENCE AGENCY

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FOREWORD

Historically the term "personnel administration" in the Federal Service conjures up visions of Civil Service clerks in green eyeshades poring over official papers -- employment applications, test results, and appointment, promotion, and classification actions -- for violations of Federal statutes designed to keep the service free of the spoils system and manned by competent technicians of an equal level of mediocrity. From the very beginning the exempted CIA was determined to avoid some of the rigidities of the Civil Service, and to a large degree it did so despite personnel procedures and forms that in some instances were more elaborate and cumbersome than those of that service. The table-of-organization method of authorizing positions, for example, generated mountains of paperwork, as many as 40,000 personnel actions a year, and a mammoth personal history statement originally required in three copies put the historical Form 57 to shame. The story of that incredible paper-pushing operation is only hinted at in the Overview History since it is narrated in full in the Unit Histories of the Office of Personnel. The emphasis in the Overview is more on issues and outcomes, accomplishments, and in some cases the failures, in the twenty-year endeavor to develop and apply personnel policies suited to the highly diversified staff of a unique and worldwide organization. Nothing was ever simple, administratively or operationally, in the CIA, and personnel administration borrowed difficulties from both sides.

Through a series of planned interviews with 18 individuals who, at various levels of responsibility, played key roles in the evolution of personnel administration in the Agency, 29 tapes recording their recollections, reflections, and insights were obtained as part of the basic research for this history. As the narrative is presented and as the pros and cons of major issues are unfolded, the views of these individuals are made available to the interested reader through a system of extensive source reference notes which are keyed to the text. As pointed out in the detailed explanation of these sources (see Appendix A), the reader usually has been given verbatim transcripts of the recorded interviews; where this is not the case, it is clear that the author has paraphrased the material. In addition to the 18 interviewees, the source notes also reflect the insights of the author who, over a period of 20 years, participated in the development, discussion, and implementation of many of the policies in question.

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PERSONNEL ADMINISTRATION: AN OVERVIEW

1946-68

I. Early History and Development

The OSS/CIG Administrative Legacy

The period between the demise of the Office of Strategic Service (OSS) on 1 October 1945 and the National Security Act of 1947, which became effective on 18 September 1947 and provided for the establishment of the CIA, was marked by unusual administrative uncertainty. The interim organization, the Central Intelligence Group (CIG), did not come into existence until 22 January 1946. 1/* In the three-month hiatus the top staffs of the OSS had departed for more promising endeavors, and the overt Research and Analysis and Presentation Staffs had been transferred to the Department of State. 2/ The covert activities of OSS had been placed in the Strategic Services Unit (SSU), specially created in the War Department to accommodate them while their fate was pondered by higher authority. 3/ CIG was first conceived as a small, select group of intelligence officers with a still smaller support staff. Rear Admiral Sidney W. Souers,** chosen by President Truman to

* For serially numbered source references, see Appendix A.

** Rear Admiral Sidney W. Souers, USNR, was Director of Central Intelligence from 23 January 1946 to 10 June 1946.

be the first Director of Central Intelligence, was given neither hiring nor budgeting authority. Instead, the Presidential Directive establishing the Central Intelligence Group (CIG) called upon the Departments of State, War, and Navy to furnish, collectively, the funds and people for the new organization. The intelligence agencies of the military departments had strongly contested the concept of an autonomous group to provide intelligence services of common concern, and having lost the argument they were now being called on to provide the money and the people, the latter -- technically at least -- to remain on their rolls. The first problem thus became that of persuading the Departments to release good people to CIG and then to persuade the people to cast their lot with the new organization. Without authority to hire, CIG could not act on employment applications from outside the government except by use of the appointing authority of the Departments of State, War, or Navy. 4/ These were heavy odds, and only 84 people were obtained to staff an initial Table of Organization of [redacted] in the five months of 25X9 Admiral Souers's regime. Their procurement was essentially a matter of interagency liaison and of individual negotiation, which took the full efforts of the small personnel section in the newly constituted Personnel and Administrative Branch of the CIG. Conditions changed when General Vandenberg,* having taken office in June 1946, made a strong and

* Lieutenant General Hoyt Sanford Vandenberg, USA (AAF), was Director of Central Intelligence from 10 June 1946 to 1 May 1947.

successful drive for independent funds and for hiring authority. These authorities were granted in September 1946; by that time eight of the twenty months of CIG's life had passed.*

In contrast, the SSU presented a problem of disposition. It was organizationally intact and functioning in the same physical location with most of the [REDACTED] people 5/ inherited from the OSS. The SSU was 25X9 a going concern, particularly for field operations, organizationally housed in the War Department and self-sufficient as to administrative and support staffs. There would be a period of dual CIA and SSU operations for eight months while the fate of SSU was being debated and its personnel strength reduced. CIG Personnel Order [REDACTED] of 17 April 1946 25X1A stated the policy throughout this period of coexistence as "the CIG seeks the administrative experience of SSU people through duality of appointment, that is, appointment of SSU officers to CIG positions." Several of the senior SSU administrative people formed the first CIG administrative and personnel staffs. William Tharp served as first Personnel Officer of CIG while he was still Executive Officer for Administration SSU. His assistants, Judson Lightsey and William J. Kelly,** doubled as CIG personnel officers. In July 1946, when the SSU was

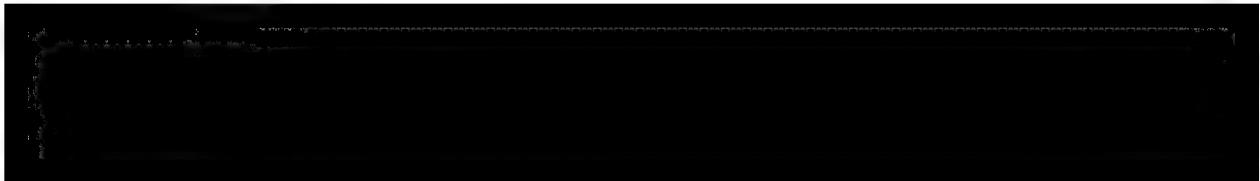
* For chronology, see Appendix B.

** William J. Kelly was to serve as Personnel Officer and first Personnel Director of CIA from 2 May 1947 until 30 July 1951. For a list of Personnel Directors, see Appendix C.

absorbed into the CIG as the Office of Special Operations, Tharp, who had been Chief of the Personnel Branch, CIG as well as Executive Officer for SSU Administration, remained in overall charge of the personnel of OSO. Lightsey became Chief of the Personnel Section of CIG with Kelly as his deputy. Personnel administration in the CIG, although divided from the beginning, was headed by SSU people who maintained close rapport regardless of the organization boxes. 6/

There was, however, a difference worth noting in the handling of overt and covert personnel actions since it had a significance in the staffing of the overt and covert components of the CIG. The appointment, assignment, and promotion actions of overt personnel were reviewed for qualifications, job classification, and grade level by CIG personnel officers and by the fully cleared Civil Service Commission representative in the CIG Personnel Office. Covert appointments followed a different route. They were reviewed by an internal body, the Personnel Review Committee of SSU and later of CIG.* The committee's function was to review and approve appointment and promotion actions. The committee's major problem was the perennial one of authority in Agency personnel administration -- how far could they go in challenging

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the recommendations of the operating officials. Lacking an outside source of reference, such as the Civil Service Commission, the committee found that it could not go very far. The greatest difficulties between the committee and the operating official concerned the qualifications, or lack thereof, for the grade levels proposed for covert personnel. Appeals to the Director of SSU, and later to the Deputy Director of Central Intelligence (DDCI), were necessarily reserved for cases of really serious disagreements where a complete breakdown in communication had occurred.

The disparity in the appointing and promotion procedures was increased in 1948 with the establishment of the Office of Policy Coordination (OPC) which was to conduct [REDACTED]

25X1A [REDACTED] OPC had its own ideas on personnel administration; they did not include the central Personnel Office, even for recruiting. In the opinion of William J. Kelly, CIA's first Personnel Director, it was the coming of OPC "out of the blue" that really began the deep divisions in Agency personnel administration. 7/ Before that, and during the CIG phase particularly, organization gaps could be bridged, command chains were not so elaborate, and many of the differences could be resolved by the individual efforts of the personnel officers working

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25X1A * General Order [REDACTED]

directly with the operating officials of the Office of Special Operations.* Indeed the most significant event in personnel administration in pre-CIA days -- the winning of Schedule A authority from the Civil Service Commission (CSC) on 16 September 1946, which freed CIG from the examining and certifying procedures of the CSC -- was accomplished by Tharp, then Executive Officer for the Office of Special Operations. New people brought in from outside to staff the CIG personnel office were at a disadvantage, however, particularly in the placement and classification areas, because of lack of continuity in intelligence administration and lack of finesse in the fine art of dual and often triple administration.

The new personnel organization struggled hard to stay ahead of the Agency staffing problem while building its own strength. 8/ A summary of CIG Personnel Orders from September 1946 to January 1947 showed progress:

With increasing capability of the CIG Personnel Office, the chosen personnel of the SSU administrative offices are assigned to appropriate CIG components in both the Projects Support Division (the OSO Administrative Unit) and in the new components being established to service the new overt offices of the CIG.

* Youth was a major factor that contributed drive and resiliency that helped to overcome difficulties in the relatively small organization of the late 1940's. OSO Branch Chiefs, including [REDACTED] and others 25X1A who were to become the "greats" of CIA, were, with few exceptions, in their late twenties or early thirties. William Kelly, the Personnel Officer (Director), was thirty years old in 1948.

By the time CIA came into official existence in September 1947,* the Agency had reached a strength of almost █. The sudden switch 25X9 from a program of deep cutback of SSU** to a sharp buildup of CIG to meet operational responsibilities cast personnel administration very firmly in the service role. The conventional role of ensuring equity and fairness throughout the organization was never to be primary. The functional statement for the Personnel Branch of the Executive for Administration and Management contained these tasks; the operative word was and remained service:

Recruits and develops standards for the placement of personnel in servicing personnel needs of all offices of CIA. 9/

Plans and effects a classification and salary administration program.

Provides training and indoctrination for CIA employees as needed.

Maintains personnel position control system to reflect budgetary, classification, and organizational status of all positions.

Provides medical and employee relations services.

* The effective date of the CIA provisions of the National Security Act was 18 September 1947, the day after the first Secretary of Defense, James V. Forrestal, took office.

** According to the best estimates available from finance sources, SSU had been reduced to less than █ people by July 1946 when it 25X9 was absorbed into the CIG as the Office of Special Operations.

Early Organization and Staff, CIG and CIA

The initial organization for personnel administration in CIG consisted of a Personnel Section in the Administrative Staff of the Executive for Personnel and Administration (P&A). The personnel section serviced all components of CIG except the SSU and the covert Office of Special Operations when it succeeded SSU in July 1946. The Chief of the Personnel Section was also the Personnel Officer of CIG.*

25X1A [REDACTED] the Deputy to the Executive for P&A was, in the organizational hierarchy, the immediate superior to the Personnel Officer and controlled the personnel Table of Organization and budget. 10/ In July 1947 the Executive for P&A was upgraded to Executive for Administration and Management; this was a move designed to make the position the sole channel to the DCI and the DDCI on both overt and covert administrative matters. CIG "Personnel" gained Branch status at that time.***

* Tharp was the first Personnel Officer of CIG, holding the post from 17 April 1946 to 9 May 1946 while still Executive for Administration in SSU. Lightsey succeeded him on 9 May 1946 and Kelly, who was Lightsey's deputy, succeeded him on 2 May 1947.

25X1A ** [REDACTED] was Deputy to the Executive for Personnel and Management (Administration and Management) of CIA from 1947 to 1 December 1950; Assistant Deputy Director, Administration from 1 December 1950 to 3 January 1951; A/DDA/General from 4 January 1951 to 31 December 1951; [REDACTED] became Chief of Administration for the DDP in January 1952 and served in that Directorate until his retirement.

***On 8 August 1948 George E. Meloon became Assistant Chief, Personnel Branch, under Kelly, whom he would follow as Personnel Director in 1951.

On the covert side, personnel functions for the Office of Special Operations were at first performed by existing staff elements under the Executive Officer for OSO.* In the course of shuffling the staff elements, Personnel became a Division in OSO's Administrative and Services (A&S) Staff in 1947.** The arrival of the Office of Policy Coordination (OPC) was the major administrative event of 1948. 11/ OPC had an immediate requirement for [REDACTED] people (the Agency's total strength was about [REDACTED] at the time) and its own ideas on administration, including personnel administration, which did not include the Executive for Administrative and Management of the Agency or the Personnel Office reporting to him. Losing no time, the new office, OPC, and OSO proposed in August 1948 a merger of their administrative functions

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* Tharp was the Executive Officer and [REDACTED] who was to leave the personnel field for a career in operations and training, was the Assistant Executive Officer (Personnel).

** Some of the future top personnel officials of the Agency, including three Personnel Directors, were spotted throughout the OSO administrative organization in the late 1940's. George E. Meloon (Personnel Director 1951-55) had service in OSO both prior to his move to the CIG post in 1948 and later as Chief, Special Support Staff in 1949-50; Robert S. Wattles (Personnel Director 1968-70) was Assistant Chief, Personnel Division, OSO in 1948. OSO's A&S Staff had a Special Funds Division, the Chief of which was Emmett Echols, who was to serve as

Personnel Director from June 1960 to February 1968. [REDACTED] served as Chief of the Covert Personnel Division of the Covert Support Staff (CSC), the successor to the A&S Staff, and [REDACTED] was Chief, Personnel Procurement Section, having succeeded [REDACTED] in that post in 1947. Others working away in the OSO at that time included [REDACTED] in placement and [REDACTED] as the lone classification officer.

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that would give them a direct line to the DCI. The combined unit would be responsible for all covert support functions except personnel investigations. Each office would have its own Personnel Officer; both would be represented by a combined Staff Chief to be located in the Director's office; separation from the Executive's central staff and authority would be virtually complete. The proposal met with vehement objection from the Executive, Murray McConnel,* and his Deputy, [REDACTED] 25X1A

25X1A [REDACTED] In two memoranda to the DCI, [REDACTED] charged that duplicate 25X1A staffs would lead to confusion in CIA's relations with the Bureau of the Budget and Congress, to internal competition between overt and covert offices for the Agency's administrative resources, to a weakening of the cover arrangements for administrative services required by the covert offices and to duplication, inefficiency, and wasted effort. The use of the term "operational security" could be read as an effort to achieve covert autonomy 12/ according to [REDACTED] 25X1A

In September 1948 a temporary compromise was effected by merging the Executive's staff offices and OSO's Administrative and Services Staff into a single group of five divisions, each subdivided on an overt-covert basis under the Executive for Administration. OSO and OPC were authorized to maintain "necessary small administrative staffs for

* McConnel was to become the first Deputy Director for Administration (DDA) and to serve in that post from 1 December 1950 until his resignation, effective 1 April 1951.

internal operations." 13/

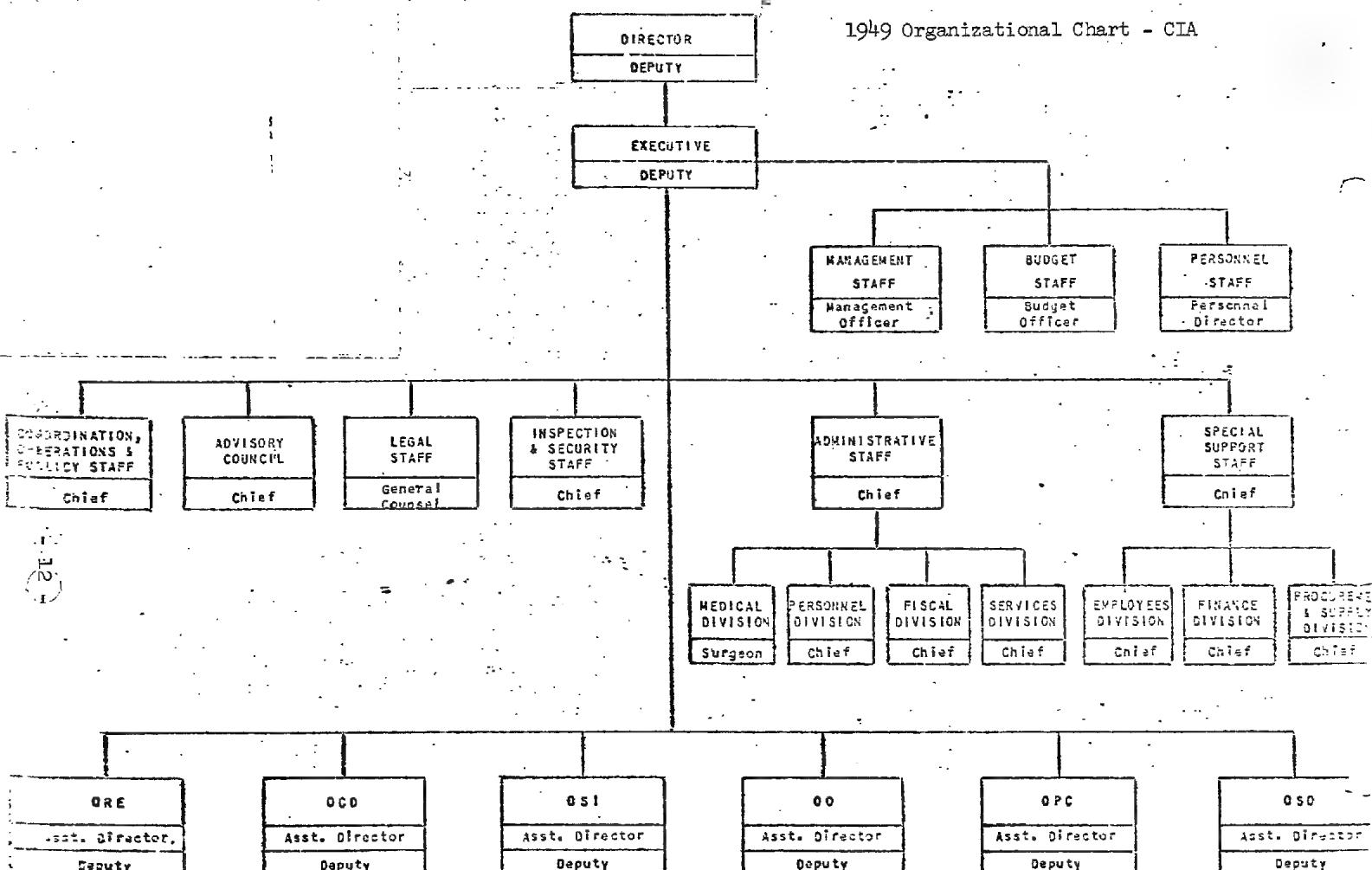
In October 1949 a fundamental reorganization established completely separate staffs for supporting each side of the house, and in effect it split personnel administration into three pieces.* The Administrative and Support Staff -- later shortened to Administrative Staff -- serviced overt activities. A&S had its own Personnel Division. Medical services was separated from Personnel at this time and set up as a division of A&S. There were also Fiscal and Services Divisions. The Covert Support Staff -- later renamed Special Support Staff (SSS) -- provided services to the covert activities. It had three divisions -- Employees, Finance, and Procurement and Supply. Both staffs were nominally under the Executive for Administration and Management (A&M). A Personnel Staff was established at the "Executive" level, and the post of Personnel Director was established. The Personnel Staff provided technical assistance to the Executive, developed personnel policies, and reviewed classifications and placement actions at the GS-13 and above levels. This three-way split prevailed until October 1950, when General Walter Bedell Smith assumed the DCI responsibilities. 15/

* See Figure 1, p. 12.

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1949 Organizational Chart - CIA



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The State of the Art, 1947-48

On 31 December 1947, CIA's population was [redacted] staff employees. 25X9

25X9 It rose to [redacted] by 31 December 1948. The 28-percent increase was achieved despite losses of more than [redacted] people, about 19 percent of 25X9 the average on-duty strength. The job market was tight, and the long predicted postwar recession had not occurred. Recruiting was the major task for an Agency faced with a sharp buildup to meet operational demands placed upon it, but there were a variety of personnel administration problems in the expanding organization. 16/ The Assistant Chief of Personnel, George Meloon, identified the ills and suggested the remedies in an October 1947 report, which forms the basis for the account that follows. 17/

Meloon focused on the uncoordinated and hasty efforts to build an urgently needed personnel organization in a very short time and simultaneous with the buildup of the parent organization. His study revealed an alarming shortage of experienced personnel officers and processing clerks to man the various units in the central office, which at the time consisted of a Transaction and Records Division, a Classification and Salary Administration Division, a Placement and Procurement Division with a Testing and Evaluation Section, and a Training Division. Applications were sometimes not evaluated properly or were held by operating officials for lengthy periods without close followup; files were not properly organized, and records were frequently lost or mislaid; letters

of acceptance or rejection were delayed. A brief survey of positions in OSO brought to light the fact that the jobs in that area were not classified by trained individuals -- often not classified at all. Desk audits were not permitted; certification by the OSO Personnel Section was all that was required. Most alarming was the delay in obtaining security clearances; the average time required for clearance, even for individuals in the Washington area, was six and a half months. 18/ In the six months preceding Meloon's report (April-September 1947), 65 stenographers had declined employment because they could not wait for security processing. The need for a strong training and orientation program throughout the Personnel Office was apparent in all of its units, and so was the urgent requirement for an increase in staff.

Meloon stated in his report that the reorganizing and strengthening of the chaotic procurement function was the most urgent need of the moment.

As the (Procurement) Office is presently operated, with a very inadequate staff -- in terms of quality -- and practically non-existent in terms of numbers,* it will never get the job done. A review . . . indicates that in many months we are losing ground (that is, losing more people than were added). Either the requisitions for personnel should be canceled or topside should recognize that the Personnel Office is not equipped to fill the needs of the operating offices. 19/

* Meloon's recollection in the 21 January 1971 interview for the Oral History was that there were three people in recruitment work in 1947, only one of whom was full-time.

Next to the recruitment problem, Meloon stated that the development of a program for orientation training of clerical personnel, tied in with some kind of a pool operation, was the most pressing need. A measure of the youth of the Agency is implicit in Meloon's statement that he had not been able to obtain an organization chart of the Personnel Office or the Agency:

It appears to be generally understood that the Inspection and Security Chief frowns upon too much orientation, basing his opinion on the need-to-know basis. I feel that this is more a case of a little knowledge being a dangerous thing and the fact that an employee of one element doesn't know anything about the functions of the rest of the Agency will cause more security violations than if generally informed. This should not be construed as a recommendation that all employees be briefed on all clandestine operations. 20/

Meloon proposed some remedies for the problems he had unearthed:

Orientation training for all clerical employees.

Training program for personnel interviewer officers and technicians.

Separation of placement and procurement functions and immediate increase in procurement staff.

More active recruiting campaign particularly with respect to contact with private industry, universities, professional societies.

Recruitment of a small group of personnel technicians to develop procedures, conduct special studies, review work flow, T/O's, staffing, budget, legislation, make valid recommendations to Personnel Director on personnel management program.

Initiation of 30, 60, 90-day followup interviews with each new employee to determine validity of initial placement, proper utilization for future.

Periodic reconciliation of personnel requisitions with records of operating offices.

Recommendation that a "holding pool" be established where clerical personnel could be assigned to await completion of security clearances.

Coding of applicant files by occupational code, files to be rated by three-man board as to qualification by grade levels.

An IBM system of personnel statistics reporting to be used as well in T/O's and management reports.

Transfer of entire personnel statistics function then in part handled by Management Office to Personnel Office from whose records statistical reports were compiled.

Increase in space allotted for personnel operations.

Although they portrayed the need very accurately, Meloon's recommendations were put into effect very slowly. In 1948 the Personnel Office was able to establish the first holding and training pool 21 of provisionally cleared employees, to provide employment, orientation, and training for individuals awaiting completion of final security clearance, after which they could be assigned immediately to operating offices. Authorization for accommodating 30 partially cleared clerical and stenographic recruits was initially granted, reluctantly, by the

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Executive for Administration, [REDACTED] By the end of 1948 the original pool and an additional "overflow" pool of some 150 clerical appointees were being administered by the Personnel Office.**

A program of placement followup interviews with new employees following their assignment was attempted by the Personnel Office for a short period. It had to be discontinued because of the shortage

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* Meloon stated in the January 1971 interview for the Oral History that [REDACTED] and Jamie Andrews of OCD (Office of Collection and Dissemination) came to his rescue with newspaper clippings and other unclassified material to be indexed. Eventually the pool was deluged with unclassified material to be typed, indexed, and cross referenced, including foreign telephone directories.

** In January 1951 the DD/A extended the program to accommodate an increasing number of recruits awaiting processing for the DDP in particular. "Training and holding pools" were set up that included separate units for operational personnel and covert-administrative personnel of the higher grades. These pools, together with one for intelligence analysts and overt professional employees of GS-05 and higher levels, were regrouped, renamed the Interim Training Branch, and transferred to OTR in 1952. The Personnel Pool's Training functions were taken over by the Office of Training in 1952, but the administration of the unit, now titled the Interim Assignment Branch, remained a Personnel Office responsibility. By August 1951 the DD/A had established "administrative training pools" totaling 297 positions, divided into seven units, and assigned respectively to the Offices of Personnel, Security, Administrative Services, Procurement, Finance, Medical, and the General Counsel.

of Placement Staff.* The Testing and Evaluation Program 22/ was enlarged and augmented by the assignment of a psychologist,

25X1A [REDACTED], who administered the clerical test battery to individuals awaiting clearance in the "pool." A Credit Union was established in 1947 with \$2,500 loaned by two employees,** and a modest beginning was made on insurance and hospitalization programs, the main difficulty being that of finding a secure method of administering the programs without releasing name lists to the underwriter. An IBM system of personnel statistical reporting was

* The followup program, involving contact by placement officers with both employees and supervisors at 30, 60, and 90-day intervals, was reestablished in 1952 but was not effective and was dropped again. Of the three "gut" functions of personnel administration; namely, recruiting, placement, and job classification, the placement function had the most difficult time. Later its role was almost completely usurped by the career board system with placement review of the personnel action coming weeks and months after the fact. Classification went through its time of trial but experienced a revival in the late 1950's as top management realized its value as a tool of management and a repository of job information. Recruitment was always the favored function, in the opinion of the writer, getting both the interest and the resources, although in later years it had to share these with benefits and services.

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introduced to replace the laborious "hand-count" methods of maintaining records and compiling reports. Official personnel files for all employees except those on unvouchedered funds were established in the central Personnel Office.* These basic steps were taken with great difficulty because of the security philosophy of the day, and they were milestones in the progress of personnel administration in the infant Agency.

* CIG was described as a "Chincse Laundry" to George Meloon by the Civil Service Commission representative with whom he discussed the job at CIG before accepting it, the reference being to the state of SSU-CIG's personnel records. On the unvouchedered side, operating officials were reluctant for security reasons to allow any kind of central record keeping. Under threat of having their pay cut off, they finally consented to have the covert Finance Office under

25X1A [REDACTED] take over responsibility for the personnel administration, at least in a record sense, of all their contract people. The establishment of personnel records on contract personnel gave the Agency a service record from the point of establishment (1946-1947) onward through the careers of covert personnel and Echols

became the focal point for almost ten years on contract personnel administration. There were great numbers of people, according to [REDACTED] who served during OSS days for whom there were no prior service records other than the disbursement records of field elements; a gap that was to cause great difficulties 20 years later when it came time to establish creditable service for retirement purposes. 23/

Appraisal - The Dulles and Eberstadt Surveys of CIA, 1948-49

Two high-level reports of the day offer a picture of the personnel situation in the Agency, at least as it looked to people who were not only outside of personnel administration but also outside the Agency. The two survey groups, the Hoover Commission Task Force, headed by Ferdinand Eberstadt, and the Dulles Survey Group, whose two principal members were Allen Welsh Dulles and William M. Jackson* -- were charged primarily with examining the intelligence and operational activities of CIA, but they did not overlook the administrative side of the Agency. The Eberstadt Task Force felt that for CIA, as for most organizations, the major problem was one of personnel. The rapid expansion under General Vandenberg had led to some errors in recruitment, they said, but this was an internal problem that the Director and his assistants should resolve. Continuity of leadership

* Mr. Dulles was designated Special Assistant to DCI Smith on 16 November 1950. While in this status Mr. Dulles was selected to become the first Deputy Director in charge of operational activities. This position was established as the Deputy Director for Operations (DDO) by General Order [REDACTED] 1 December 1950, but the position was never filled. Instead, Mr. Dulles was appointed Deputy Director for Plans, effective 2 January 1951, as announced in General Order [REDACTED] of 4 January.

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Mr. Jackson entered on duty in the Office of the DCI on 2 October 1950, in the last days of Admiral Hillenkoetter's administration. On 7 October, when General Smith became DCI, one of his first actions was to designate Mr. Jackson as the Deputy DCI. Mr. Jackson served in this capacity until 3 August 1951, when he signed a personal services contract (WAE), thereby terminating his regular employment with the Agency.

combined with internal development would work in tandem to improve the situation. 24/

The Eberstadt survey added that although additional improvement was needed there was evidence of improvement in the recruiting of men and women with "appropriate experience, education and personality . . . many individuals appeared . . . intelligent, enthusiastic and competent."

The Dulles Survey Group's observations and recommendations were more specific and strongly worded, and its members were more inclined to look into the fitness of the individuals charged with running the Agency. 25/ They believed that administration had acquired a degree of dominance that threatened to control overall policy. Covert autonomy (control of operations and internal administration), including recruitment and selection of all covert personnel, was strongly advocated; administration, it was said, should be the handmaid of operations.

Commenting on the personnel management program, the Dulles Group attributed many of its difficulties to the fact that CIA "labors under a difficult personnel problem," citing "extremely varied personnel requirements, . . . sensitive security considerations that restricted the recruitment effort, the requirement for anonymity for a large part of its personnel, and need for persons with highly specialized talents, as well as . . . broad experience. Contributing to the complexity of the situation were the youth of the organization and the conditions of change and uncertainty which rendered recruiting and retaining qualified

individuals even more difficult." The swift growth of the organization had been attained, they said, at the expense of the quality of personnel selected. "Many able persons have left the organization and few qualified ones have been attracted to it. On the higher levels, quality is uneven and there are few persons who are outstanding in intelligence work."

Summing up the personnel situation, the Dulles report stated that on the whole, morale within the Central Intelligence Agency was not good because of "uncertainty as to the future of a career in intelligence . . . widespread criticism of the performance of the Agency, dissatisfaction with leadership . . . relatively high proportion of Service personnel in key positions . . . which tended to discourage competent civilians from seeking employment in the CIA because of delay in security clearances."

Admiral Hillenkoetter,* then the DCI, studied the Dulles Committee's recommendations in detail and wrote his comments in a Memorandum dated 26 February 1949.** On the conclusion of the Dulles

* Rear Admiral Roscoe Henry Hillenkoetter, USN, was Director of Central Intelligence from 1 May 1947 to 7 October 1950.

25X1A **[redacted] prepared the DCI's Memorandum, according to William Kelly in the 12 November 1970 interview for the Oral History. Kelly was forbidden by [redacted] to talk to the Dulles Group whose representative for the personnel portion of the study was Joseph LaRocque.

Committee that many good people had left the Agency, the Director pointed out that of [redacted] employees in the three highest grades, only twenty had left (some involuntarily) during 1948. He supplied tables showing the turnover and the reasons for separation and stated that attrition of all personnel in the Agency had averaged 1.6 percent a month, a rate considerably lower than that in most other Agencies in government.*

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With regard to the charge that few individuals were outstanding in intelligence work, Admiral Hillenkoetter, while admitting the difficulty of establishing an absolute criterion as to ability, presented tables showing qualifications of professional personnel and remarked that, if scholarship and experience had any bearing, these would "demonstrate that the CIA is not totally devoid of capable people."26/

A "grass-roots" view of the personnel situation in the 1948-49 period was given by a veteran recruiter:

Throughout this period of uncoordinated effort, there was no grumbling over long hours or other lack of good will shown to the job at hand. The expansion of the Agency was simply getting ahead of the physical abilities to cope with it. 27/

And yet to come, in the early 1950's, was a sharp unanticipated buildup

* Agency attrition was eventually to stabilize in the 10 to 15-percent-per-year range, most of it caused by resignation of young clerical employees for reasons not under Agency control. The attrition rate for FY 1970 was 11.5 percent of the average on-duty strength. Government-wide attrition was twice this rate.

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that would take the Agency in three years to the high point of OSS in World War II and leave its mark on Agency personnel administration for a generation.*



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Emergence of the Central Office of Personnel

On 7 October 1950 Lieutenant General Walter Bedell Smith* became DCI, succeeding Admiral Hillenkoetter. Between October and December 1950 a recentralization of the administrative support functions, including personnel administration, took place under the new Deputy Director for Administration (DDA). The passage of Public Law 110, the CIA Act of 1949, had given the Director special authority to hire and fire. The Civil Service Commission had ruled in August of that year that the Agency was not required to follow the Classification Act, which had been revised in 1949. 28/ There was a clear field for the Agency to establish its own Personnel Program, modified only by the previous DCI's commitment to follow the principles and practices of the Classification Act** and thus a definite need for a Central Personnel Unit to administer such a program within the Agency.

* Lieutenant General (later General) Walter Bedell Smith, USA, was Director of Central Intelligence from 7 October 1950 to 9 February 1953.

** The decision to follow the principles and grade structure of the Classification Act, made by Admiral Hillenkoetter and sustained by subsequent DCI's, was never really accepted by the operating officials, particularly those in the DDP, according to [redacted] long-time 25X1A Chief of Classification in the 12 January 1971 interview for the Oral History. The policy was to be at the base of the difficulties which the Personnel Office encountered during the Meloon regime. In its favor, the writer feels that the policy aided in the extension to the Agency of legislation increasing benefits and salaries of the so called "competitive service" and that the determining factor in the minds of top management may have been the matter of Congressional relations.

25X1A General Order [redacted] and CIA Regulation [redacted] of 1 December 1950, which 25X1A stemmed from it, combined the Personnel Staff of CIA, the Personnel Division of the Administrative Staff of OPC, and the Employees' Division of the Special Support Staff of OSO into a central Personnel Office under a Personnel Director reporting to the Deputy Director for Administration. The organization was functional and streamlined. The Personnel Studies and Procedures Staff developed regulations and procedures and furnished direct staff support to the Personnel Director. The Personnel Division (Overt) provided placement, personnel relations, and transaction and records services for the overt offices and a clerical pool and a testing service for the Agency as a whole. The Personnel Division (Covert) furnished similar services for the covert offices. As in other support areas, responsibility for personnel matters was redivided between the two divisions -- a reconciliation of the need for centralized administrative responsibility and the requirement for compartmentation. The Classification and Wage Division provided a central wage and salary administration program. The Personnel Procurement Division was set up to supply a central recruitment program for the Agency, replacing the recruitment services formerly provided by the Placement Branches of the two Personnel Divisions. The Military Personnel Division, previously located in the overt Personnel Division, was established independently to continue its function as the central military personnel office. The table of organization

25X9 (T/O) called for [redacted] positions.*

William Kelly, who had headed the former Personnel Staff, continued in charge as the Personnel Director. 29/ George Meloon, who had been Chief of the Special Support Staff, was brought back from the covert side in December 1950 and made Deputy to Kelly. The rest of the starting lineup in March 1951 -- and because players were changed frequently in those days the word choice is deliberate --

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* This represented an increase of 40 positions over the Personnel Staff, CIA, although most of these were gained by transfer from the OSO and OPC Staffs. The Agency T/O as of 31 December 1950 was [redacted] 25X9 with about [redacted] on board -- exclusive of military, contract, and IAC 25X9 details -- and with the on-board figure rising rapidly.

25X1A ** [redacted] deserves special mention in any history of personnel administration in the CIA. Originally employed as a test technician P-1 in the small Test Unit in OP, she was detailed to assist George Meloon in his original survey of personnel operations in 1947.

25X1A Impressed by her industry, competence, and dedication, Meloon assigned [redacted] to the critical task of assisting in the development of personnel policies and regulations. She remained in the Office of the Director of Personnel throughout her career in various confidential assistant roles, eventually rising to the position of Executive Officer and to membership in a small and select group: women who achieved supergrade rank in the Agency.

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In October 1951 Walter R. Wolf, the new DDA, suggested to General

25X1A [REDACTED] that both the Office of Training and the Office of Medical Services be placed under the jurisdiction of the Personnel Office -- thus to strengthen the authority of Personnel by concentrating those components principally concerned with personnel matters under one administration.

25X1A [REDACTED] stated in his reply that of the two, he believed the Medical Office would more easily be assimilated because, like Personnel, it was clearly under the DDA's purview. The Office of Training, on the other hand, was still an arm of the DCI's Office, was under the DCI's immediate supervision, and was a large and growing organization with an increasing variety of functions.

25X1A

noted that the Personnel Office had a residue of problems to resolve; and although he did not refuse the invitation or express unwillingness to take on the added responsibility, no change took place during the remainder of General Smith's regime. Certain responsibilities of the Office of Training originally discharged by the Personnel Office were

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* [REDACTED] was the first Assistant Director (Personnel) and served from 16 July 1951 to 15 April 1952. General [REDACTED] main job was to attract a higher caliber of personnel to the Agency than were then being recruited and employed directly by the components.

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transferred back to Personnel in 1952 and early 1953 -- staff work on career development and operation of holding pools for provisionally cleared recruits.

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Enlargement of Scope of Personnel Office Responsibilities

Although its position in the organizational structure was improved, the training function and -- more important -- the responsibility for the development of the career corps escaped the jurisdiction of the new central Personnel Office in the 1950 reorganization. These major functions were made the responsibility of a new Chief of Training, Colonel Matthew Baird,* who reported directly to the DCI, General Smith. 30/

A 15 November 1950 memorandum from the new Executive, Murray McConnel -- he was soon to be renamed the DDA -- to all Assistant Directors named William J. Kelly Personnel Director** "in charge of all personnel problems except those under the Training Section." 31/

25X1A A revision of CIA Regulation [REDACTED], dated 19 January 1951, added the function of collaborating with the Director of Training in the procurement of qualified employees for career development. The

* Baird was recruited by William Jackson when the latter was DDCI under General Smith. A native of Pennsylvania and a graduate of Princeton and Oxford, Baird was an educator by background. He served as CO of the 13th Air Force Service Command in the South Pacific in World War II and had been recalled to active duty by the Air Force and assigned to CIA, serving as Director of Training for 15 years from 1951 until his retirement in 1966. He was also Acting Assistant Director of Personnel for four months in 1952.

25X1A ** [REDACTED] was detailed by the Personnel Director to assist Baird with his program and to introduce him to the workings of the organization. [REDACTED] statement on the new arrangement is in source 30.

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Personnel Office interpretation* was that "Personnel" would do the recruiting and turn the individuals over to the Office of Training. When training was completed, the placement action would be taken by "Personnel." This arrangement never worked out. In practice, the Chief of the Junior Officer Training Program (JOTP) in the Office of Training, Dr. [REDACTED], controlled the assessment and selection, training, and in most cases the placement** of these young officers. 32/

Nevertheless, the net result of the reorganization of December 1950 was an enlarged charter for the new Personnel Office. The Personnel Director was charged with "development, preparation, and execution of all Agency personnel programs and with advising Agency officials on all matters of personnel policy." Personnel services for the Agency included recruitment, selection, and placement of employees; procurement, assignment, and administration of Armed Services personnel detailed to the Agency; salary administration for all classes of departmental and field employees; internal promotion, overseas rotation, personnel relations, and welfare programs; and record keeping on all personnel matters.

* At least this was the recollection of George Meloon in the 22 January 1971 interview for the Oral History.

25X1A ** [REDACTED] was the first placement officer for the JOTP. His statement (see source 32) gives his account of the early concepts and qualifications for the JOTP as seen from that post.

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Although liaison responsibilities had not been spelled out in earlier organizational charts, maintaining working relationships with outside agencies had from the beginning been an important function of Office of Personnel. By 1950 the Personnel Staff was representing the Agency in liaison activities with the Selective Service System on draft deferment problems affecting CIA employees; with the Defense Department in matters of procurement, assignment, and disposition of military personnel detailed to CIA; and with the Federal Personnel Council, the Civil Service Commission, the United States Employment Service, and the State Department in matters of personnel policy and operations, particularly those relating to recruitment. Private industry and academic institutions were also regularly contacted in connection with procurement of personnel. Liaison was maintained with the Bureau of the Budget, the General Accounting Office, the General Services Administration, the Appropriations and Armed Services Committees of the House and Senate, and other legislative groups on matters pertaining to projected legislation for CIA employees. By February 1951, liaison channels with the Bureau of Employees Compensation had been established to process compensation claims arising out of CIA employment.

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The CIA request to the Department of Defense for raising the service personnel representation to the Agency had also been approved with a greater increase in such representation under consideration by the Department.

Liaison with the National Selective Service Headquarters and the Personnel Policy Board of the Office of the Secretary of Defense had been sufficiently successful by early 1951 that Agency draft deferment cases and cancellation of recalls in cases deemed vital to CIA had become practically automatic. In addition, the Personnel Office had from the beginning performed all personnel management services for the National Security Council (NSC), established in October 1947 as successor to the National Intelligence Authority.

Staff employees and staff agents were only two of the categories of individuals included in the personnel management program of the Agency. Other categories, the number and variety of which equaled or

surpassed staff employee strength,* had to be covered by special administrative procedures. 33/

In the reorganization of December 1950 a staff group, the Personnel Studies and Procedures Staff, was authorized to serve as an arm of the Personnel Director and to assist him in carrying out effective, coordinated work throughout the Personnel Office. Its functions were those of surveying, reviewing, and reporting to the Personnel Director all phases of the personnel program, field and departmental; developing and coordinating legislative, budgetary, procedural, and reporting requirements; and planning, developing,

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and conducting studies of Personnel Office organization, staffing; standard operating procedures, and special management projects and studies.

In his annual report to the DDA, dated 14 February 1951, William Kelly,* the Personnel Director, commented on tangible fruits of the reorganization:

Regarding the complete reorganization of the Personnel Office . . . We attained several things which previously were not possible. The first and most important was a complete centralization of all personnel procurement activities in the Agency under one controlling group. This in itself not only saves time and money but also prevents major security flaps from arising in the field. The second thing this reorganization permitted was the establishment of the staff group of expert personnel technicians to do the staff studies work and the leg work concerned with the establishment of a true personnel administrative program. Heretofore it was necessary, because of the lack of such a unit, for one of the operating people to do the necessary research and study necessarily involved in a personnel program encompassing [redacted]

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* Kelly was to leave the Office of Personnel Director in July 1951. When interviewed in November 1970 for the Oral History, he felt, in retrospect, his "biggest lack of success" was "the inability of the Personnel Office to retain the management of the Career Program; the inability to sell top management on personnel administration; and finally, the lack of a strong and equitable salary administration."

II. The Career Service Program
and Personnel Administration, 1950-62

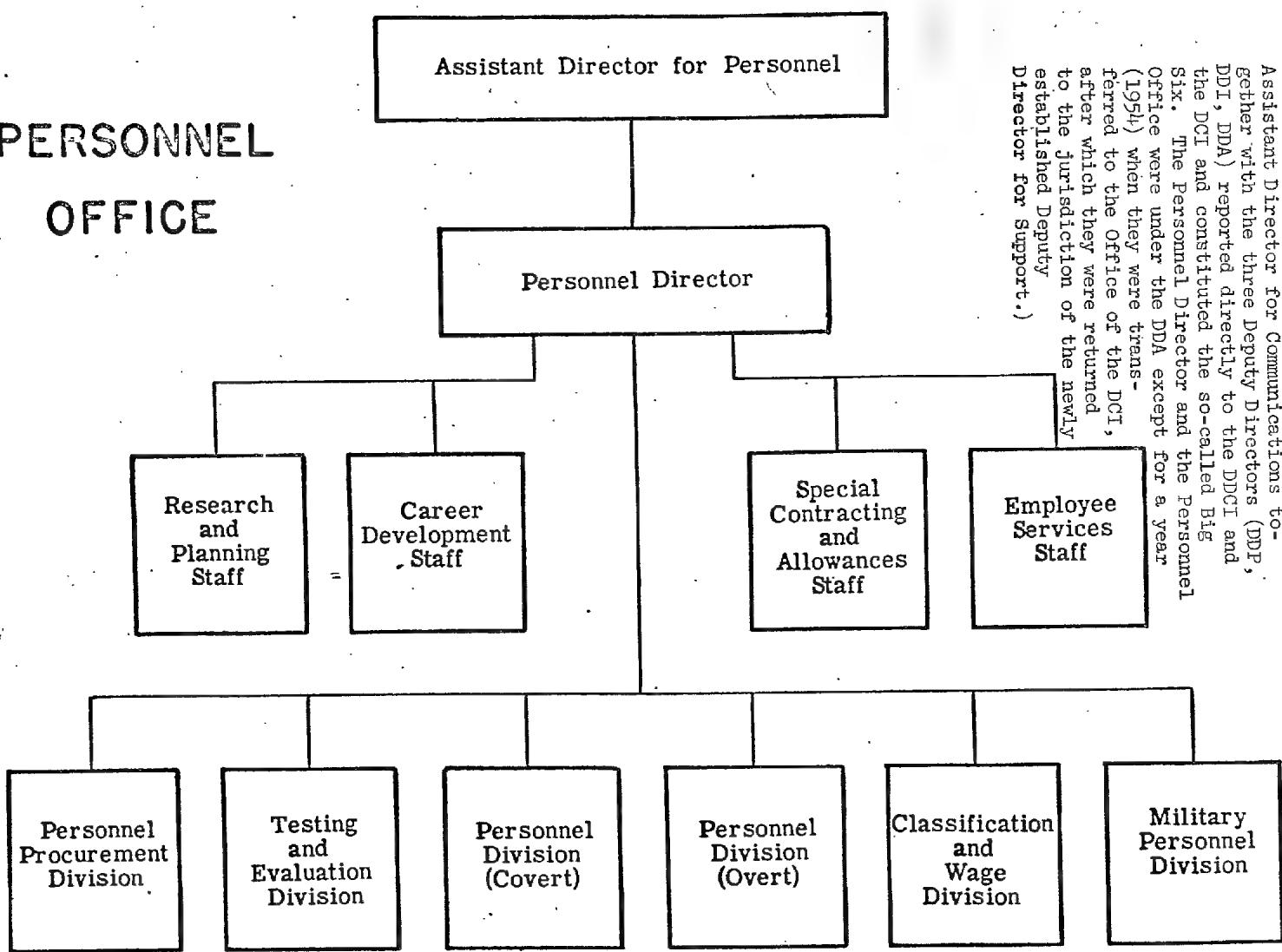
Although the functions of the Personnel Office were increased and its organizational status improved, the position of the Personnel Director, originally considered the top professional personnel job in the Agency, actually lost ground in the reorganization of 1950 and its aftermath. Superimposed, effective 16 July 1951, for example, was the post of Assistant Director, Personnel (AD/P), which despite the title was superior in the organization line to the Personnel Director, being in concept at least the Assistant to the Director of Central Intelligence for Personnel.* The AD/P post was held by four incumbents** in as many years, presumably men of greater stature and prestige than the Personnel Director, who were supposed to raise personnel administration and particularly the recruitment function to a higher level than it had reached under the guidance of the professional people, most of whom had government backgrounds.^{34/} More subtle, and perhaps less understood down the line, was the fact that the focus of

* See Figure 2, p. 37.

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PERSONNEL OFFICE



top management attention began to turn inward in 1952, despite the demands of the operating components for new personnel,* away from recruitment and toward the development of a career program. Whether it was the dual arrangement at the top, or the lack of continuity in the AD/P post or lack of perception, whatever the reason, the Director of Personnel and the office he headed lost the leadership role in the development of the Career Program. Its development went forward on a separate path to that of basic personnel administration in the Agency although the Personnel Office was called on to furnish information, do the staff work, and provide the personnel specialists usually in a minor capacity for the numerous boards, committees, and task forces set up to develop the Career Program.

There were also environmental factors that placed the Personnel Director in a service rather than a policy role. As the organization grew, so did the sharp divisions and group frictions generated by the great occupational diversity in the Agency and by security compartmentation.

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* Personnel Director Kelly had estimated in July 1951 that [redacted] new employees would be required in FY 1952 to meet the demands of the operating components. Kelly stated some twenty years later that "it was not incumbent on the Personnel Director to determine policies or to challenge them. His job was service." ^{35/} Actually the freeze imposed by General Smith in late 1952 put an end to the unrealistic demands of the operators which if met would have doubled the size of the Agency in a year and raised its strength to a level which it never has reached in twenty years.

Personnel administration in the highly academic Intelligence Offices was more akin to the governance of a university than of a Federal Agency. There were strong resentments generated by what were interpreted to be attempts to impose on the Intelligence Directorate (DDI) personnel policies required by the operational side -- directed assignment, personal mobility, and early retirement among others. The orientation of many of the DDI people was to their discipline rather than to the organization. The economists were the largest single professional group, but most other professions were represented in some measure.*

On the support side, the specialties closely paralleled government and military support occupations, and most of the people were from one or the other of these two sources; good, gray government they were called by some. The operators, a distinct group mostly of OSS or military combat arms origin, were hard in their conviction that theirs was the primary mission and in their determination to protect the

* During the early 1950's, the writer spoke to entering groups on one phase of personnel administration in the Agency. In the course of the talk, he mentioned that the Agency had every professional pursuit in the government book and some that were not, except one, and that was patent examiner. After a few runnings of the talk, one individual in a new group raised his hand and said, "I'm sorry but you now have a patent examiner."

security of their operations from the rest of the Agency.* Indeed, the DDP had a difficult time establishing his central authority as the concept of covert autonomy spread, first OSO and OPC administrative autonomy and then divisional and station autonomy; the DDP himself attempted to stem the tide by establishing the single career service concept within his area.**

These were some of the circumstances that led to a policy of career management by committee as Agency management strove to keep its loose confederation together and to reconcile differing philosophies and problems. Whatever the compulsions, the policy eventually led to an unusual diffusion of personnel authority to the various career services, with the Personnel Director on the sidelines in a minor supporting role. Possibly as a result, the top management effort extending over the ensuing several years to develop an Agency Career Staff concept was to come to naught.



Career Service Committee, 13 September - June 1952

The first step in the development of the Career Program was taken at the time of the 1950 reorganization when the training function and the development of a junior officer corps were assigned to a new division headed by a Director of Training who reported directly to the DCI. The second came in July 1951 when that Director of Training, Colonel Matthew Baird, delivered to the Director a comprehensive plan prepared by the Training Division entitled "A Proposal to Establish and Implement a Career Corps Program." The plan, which had the endorsement of General 25X1A [REDACTED] the Assistant Director for Personnel, was approved in principle by General Smith during the same month and sent by him to the Deputy Directors and Assistant Directors for comments. Their responses were generally favorable to the establishment of a Career Program but were unanimously opposed to an elite corps concept. 37/ Instead, they maintained, every effort should be made to apply the Career Service Program to all CIA Staff Employees and staff agents without distinction as to grade or place of assignment -- except, of course, the professional and clerical distinction was accepted. 38/ The program had suddenly widened to include the whole Agency.* As a result, on 13 September 1951

* Seven years later the IG, Lyman G. Kirkpatrick, concluded in a 1959 report on the Career Services "that the jettisoned 'hard core' concept produced three critical problems in personnel management: the magnitude of the program was increased a hundredfold; training requirements were distorted and disorganized; the Board and Panel mechanism devised to implement the program was cumbersome and slow, and usurped much of the authority and responsibility of the Director of Personnel."

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General Smith established a Career Service Committee and directed it to implement the proposal to establish a Career Program in CIA. The Committee was also to resolve such differences of opinion as had been voiced by the Deputy Directors and Assistant Directors in their review of the program plan.

The Career Service Committee* divided its work among six groups, one to deal with each of the following subjects: Selection Criteria, Employee Rating, Career Benefits, Trainees, Extension Training, and Rotation. A group on Personnel Career Development was added later. An Executive Secretary coordinated the activities of the various segments, and an outside consultant was engaged to furnish information

* The Committee, which held its first meeting on 24 September 1951, was chaired by [REDACTED], Assistant Director for Personnel, who was succeeded by Walter R. Wolf, Deputy Director (Administration) (DD/A) upon the former's resignation in April 1952. Other members were [REDACTED], Assistant Director for the Office of Special Operations (OSO/ADSO), Sherman Kent, Assistant Director for the Office of National Estimates, and Colonel Matthew Baird, Director of Training. The Committee selected [REDACTED], a Staff Chief in OSO, as Executive Secretary. [REDACTED] took Mr. Kent's place in January 1952.

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and advise on industrial career and development programs.* In their deliberations the Committee considered the idea of a commissioned officer corps similar to the Foreign Service and rejected it as too inflexible and rigid; they upheld the policy of appointment by the Director. 39/ Their administrative philosophy was pragmatic, as stated by the Chairman, Walter Wolf, in the Committee's final report to the DCI:

The Committee believes that the carrying out of the Program is a line responsibility backed up by whatever staff support, guidance, and assistance is necessary. The Program, which, in the final analysis, is no more than the integration of policies and practices of good operation, management, personnel and training, can progress no faster than the demand created for it by the operating executives of the Agency. For this reason the control of the Program is in the hands of the line officers of the Agency.

The Report of the Career Service Committee was approved by General Smith

and published as Agency Notice No. [REDACTED] CIA Career Service Program,

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in June 1952. The report and the philosophy expressed therein set the tone and indicated the direction the Career Program was to take. What emerged was a series of discrete career services suited to the unique needs of the diversified CIA -- at least as these were perceived by the operating officials who headed the major components. The history of the Career Program became the history of these individual boards with "Personnel" performing good and loyal services in furnishing the secretariats and supplying the information in response to the requests of the individual boards.*

Activity at the Agency level, except for the coordination of broad personnel policies among the autonomous career services, was to be concerned with a Junior Officer Training Program (JOTP) and the recruitment, selection, training, and assignment of young professional trainees. If the redoubtable General Smith could not force his cherished

* In an interview in January 1971, former Personnel Director George Meloon stated that he was not able to do anything either for or against the Career Program because of his position as subordinate to the Assistant Director (Personnel). He stated that the numerous Boards and Panels generated a lot of activity and also a lot of paperwork but in the final analysis accomplished nothing more than what a good sound personnel management program would have done in the first place. One of the big drawbacks of the Career Service, he said, was that a person designated as a Logistics Officer or Personnel Officer, or whatever, had a fence built around him that made cross-fertilization and development more difficult. Meloon thought that had the Agency named an Assistant Director for Personnel and Training of the stature, aggressiveness, and entré of Matt Baird and left him in the job, the Career Program would have been molded into a combined personnel and training operation that would have been a great asset to the Agency. 40/

notion of a hard core of disciplined and dedicated young officers on the entrenched groups already on board, at least he could insure that among the new people entering the Agency there would be some who would meet his original concept. Responsibility for the JOTP was therefore placed firmly in the hands of one man, his Director of Training, Matthew Baird, 41/ who, with the advice and assistance of two Personnel Directors,* proceeded to develop this vitally needed program and to conduct it with great vigor for the next 15 years. JOTP recruitment was done by the Office of Personnel, and the division of labor was to lead to some heated bureaucratic bickering between the two offices 42/; but in the main the JOTP wrote a rare and bright page in the history of personnel administration in the Agency.**

* Baird has testified that the professional advice and assistance of Bill Kelly and George Meloon were extremely helpful in getting the program started. In addition, [redacted] was detailed to assist Baird in initiating his program as stated above (p. 30). 25X1A

25X1A ** Appropriately enough, the unit history of the JOTP Program has been written in the Office of Training and is available in the Support Services Historical Series. See [redacted] Junior Officer 25X1A Training, September 1971, S. [redacted] Chief of the JOTP/OTR and later DD/Pers for Recruitment and Placement, describes the differences between the two offices in source 42.

Career Service Board, 1952-54

25X1A Agency Notice [redacted] dated 19 June 1952 established a Career Service Board* to replace the Committee. The accent now was on implementation. The responsibilities of the Board were to get on with the Program, to supervise and review the Office Career Boards, and to establish an Executive Inventory. The Board was to make recommendations to the DCI for filling key positions, review the evaluations of people in the executive inventory, and approve the allocation of rotation loan positions to the Career Service Boards. The Board was also to supervise supporting groups of boards handling specialized functions on an Agency-wide basis, such as the Administrative Career Service Board, the Hazardous Duty Board, the Honor Awards Board, the Professional Selection Panel,

* Walter Wolf, Deputy Director of Administration, was named Chairman of the CIA Career Service Board. Loftus Becker, [redacted] and 25X1A Matthew Baird were named initially as permanent members. Lyman Kirkpatrick, Assistant Director for Special Operations (ADSO), and Jamie Andrews, Director of the Office of Collection and Dissemination, were named as rotating members to serve six month terms as representatives of the operations and intelligence components.

and the Senior Defense College Selection Panel, drawing on Agency personnel as necessary. The Secretariat of the CIA Career Service Board* prepared the agendas, made recommendations on improving the program, initiated and supervised studies, and submitted unresolved interoffice board problems to the CIA Board for resolution. The Secretariat also coordinated with the Office of Training and acted in support of the functional boards.

The structure of the Office Boards was specified to consist of the Assistant Director (or Office Head) ex officio, three or more Staff or Division Chiefs, and a nonvoting Secretariat to be composed of the Administrative or Personnel Officers of the Office concerned.** The

* The Secretariat was incorporated into the Personnel Office in February 1952 as the Career Development Staff (CDS) headed by [REDACTED] 25X1A and "Personnel" rather than "Training" became responsible for the staff work on the Career Program. Members of this pioneering group in addition to [REDACTED] as Chief were [REDACTED] 25X1A CDS was in existence from October 1951 to July 1953 when it was absorbed into the Personnel Studies and Procedures Staff, Office of Personnel.

** (Office) Career Service Boards were originally established in:

Office of Special Operations	Office of Policy Coordination
Office of Communications	Office of Operations
Office of Research and Reports	Office of Collection and Dissemination
Office of Current Intelligence	Medical Office
General Services Office	Procurement and Supply Office
Comptrollers Office	Office of Scientific Intelligence
Office of National Estimates	Office of Training
Technical Services Staff	Personnel Office
	Inspection and Security Office

office boards were concerned primarily with administering the program at the operating level -- the rotation, training advancement, reassignment, career development, and performance of the individual. They also reviewed conditions of service so they could recommend improvements. The two groups of individuals with whom the Regulation was most concerned were the new professionals -- the Boards were to insure the acquisition of highly qualified and versatile persons having long range potential -- and the rotational appointees -- the Boards were to make certain that they did not get lost in the advancement and promotion process. The review of the new Personnel Evaluation Report (PER) 25X1A was assigned to the Boards, and Notice [REDACTED] also contained instructions on the Executive Inventory, the Selection and Training of Trainees for Professional Positions, Rotation, Career Benefits, and the Honor Awards Program; and it established some 50 Rotation Loan slots to encourage transfer across offices -- in the opinion of the Chairman of the Career

Service Board, office autonomy was one of the more serious problems of the Career Program.*

* Lyman Kirkpatrick served as focal point on personnel management and career programs for three DCI's -- General Smith, Allen Dulles, and John McCone -- over a period of 15 years. A major in charge of the OSS detachment to 12th Army Group (General Bradley) in World War II, Kirkpatrick returned to CIA as Chief of Contacts Division, OO in 1947; was named Executive Assistant to the DCI (General Smith) in December 1950; Assistant Director, Special Operations (AD/SO) February 1951; Inspector General, March 1953; Executive Director, April 1962; Executive Director-Comptroller, November 1963; resigned in 1965. In his numerous surveys as Inspector General, Kirkpatrick deplored the proliferation of career services and the lack of an Agency program, and in a book published after his resignation he describes some of the difficulties:

"Not long after returning to duty in 1953 [he had been stricken by polio in 1952], I was asked to take over the chairmanship of the Agency Career Service Board . . . It had been having great difficulty getting ahead with its work due to pressures from some offices that they be allowed individuality and independence. To put it bluntly, there were some offices that wanted all the benefits afforded to them by being part of the CIA, but none of the responsibility . . . I put the Career Service Board on an emergency footing and advised my colleagues that we would meet weekly until we got the Career Service Program launched. We did exactly that. We hammered through an Agency health insurance program that preceded by nearly five years the Federal government's action in this area. The Career Council [sic] set to work to develop a retirement program specifically adapted to Agency needs, and by 1954 had legislation drafted that would accomplish this purpose. It was not until 1964 that Congress finally passed this legislation, thanks to the strenuous efforts of John McCone who was then Director. The Career Council devoted itself to such matters as competitive promotion systems, the preparation of adequate fitness reports, the selection out of incompetent or below standard employees, and all other aspects involved in good personnel administration. By July 1954 we had a Career Service Program mapped out . . . It would be impossible to say that it was a perfect program or that it did not have certain flaws in it. On the other hand, it was an important accomplishment, if only for the fact that we had drawn together the many different elements of the organization into a common program." 43/

CPYRGHT

The Career Council, 1954-62

The change of name from the Career Service Board to the Career Council* was not without significance. Presumably at this point the planning and development work had been completed, the component boards were established, and the program was functioning; and now the Council was to supply a high-level forum where differences arising among the various groups could be resolved and policy issues could be settled. The Council took as its early concern the Agency-wide programs in the field of employee welfare, insurance, benefits, and awards as it strove to establish the credibility of the Career Program in the minds of the employees, who were generally skeptical. Under the Council's guidance the Insurance Task Force and the Legislative Task Force fashioned a whole new structure in these fields, one which was well ahead of its time in the Federal government. The Council also served as a kind of ruling oligarchy in overseeing the work of the boards, reviewing personnel and training policies, selecting candidates for the Senior Officer Schools, and determining policies for the

* The Council originally had seven members and was composed of Harrison Reynolds, AD/Pers Chairman; Robert Amory, Jr., the DDI; Matthew Baird, the D/TR; [REDACTED] COPS/DDP for the DDP; 25X1A Lawrence White, the DDA; [REDACTED] AD/Comm; and Lyman 25X1A Kirkpatrick, the IG. The last named six people went the entire course. [REDACTED] was Executive Secretary. Gordon Stewart became Chairman when he took office as Director of Personnel on 8 January 1957, and Emmett Echols succeeded Stewart on 6 June 1960.

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development of the junior professional personnel and for Agency-wide reassignment of other employees. A proposed program for the Council, submitted at the 41st meeting on 21 March 1957, showed an emphasis on internal personnel management problems and contained twelve items: Development Complement, Staffing Pattern, Flexible T/O, Pay Plan, Fitness Report, Comments and Recommendations of the Inspector on Personnel Matters, Selection of Incoming Personnel, Agency-Wide Representation, Duplication of Effort in Personnel Administration, Briefings by Career Service Boards and Panels, Publicizing Career Service Program in HQS and Overseas, Integration of Personnel Management Documents, Status Report on Competitive Promotion, Recognition for CIA Employees through Awards granted by non-Federal organizations, and Review of Deferred or Denied Cases for Entry into Career Service. 44/

Two of the Council meetings are particularly significant in the history of personnel administration in the Agency. The 42nd meeting, held on 25 April 1957, was principally concerned with the discussion of the Inspector General's paper, "Role of the Director of Personnel," which had been forwarded to the Council by the DDCI. Among the topics discussed in connection with this cornerstone document in Agency personnel administration were:

Independence versus uniformity between the Career Services; the degree to which the Career Services should have latitude in implementing basic Agency personnel policies;

The danger of establishing degrees of difference between the Career Services which might stimulate a flow of personnel from one Service to another;

Methods of achieving uniformity and a common denominator through sound classification and job evaluation techniques and through competitive evaluations and promotions;

Directed assignments;

Placement and utilization of personnel, especially returnees from overseas; the problem of matching suddenly created requirements that are beyond the control of CIA with the skills and availability of qualified personnel; the role of the Special Placement Committee;

The role of the Office of Personnel as a staff organization responsible for providing service to the Operating Components and the several Career Services. Only for certain specific functions that can be handled most efficiently as a service of common concern should the Office of Personnel have command responsibility;

The desirability of placing increased responsibility on each Career Service for the personnel management of persons who bear service designations of that Service;

The degree to which an individual is capable of identifying his "loyalties" and motivations with CIA as a whole or principally with his immediate command unit;

The total effort made by the Agency with respect to personnel management and the number of persons engaged in handling personnel matters;

The inviolate requirement that personnel records must be centralized in the Office of Personnel;

"Rotation" or planned assignment and reassignment between the several Career Services and between the three principal areas of the Agency -- the Deputy Directors (Intelligence, Plans, and Support).

The council supported the IG's thesis of centralization but only of personnel services. Personnel management as such was felt to be the responsibility of the Career Services. The actual division of authority and responsibility was subsequently established in a 6 September 1957 memorandum for the DCI, from the Director of Personnel, approved by the Deputy Director of Central Intelligence, on 3 November 1957, which has governed personnel administration in the Agency for a decade. Paragraph 11 stated that the Director of Personnel would:

Develop policies governing the Agency's personnel program;

Be solely responsible for hiring personnel in the United States;

Make all initial assignments and such reassigned involving more than one Career Service as may require central control and enforcement;

Carry out such responsibilities in the fields of promotion, discipline, and discharge as are currently assigned to him in regulations;

Administer the Agency's wage compensation program;

Exercise central responsibility for the Agency's management development program;

Provide services of common concern as at present.

The Career Council would continue as the principal Agency board in personnel matters; the heads of Career Services, under the guidance

and control of the Deputy Directors concerned, would assume full responsibility for the implementation of policies and procedures as they pertain to the internal personnel management of the Career Services in the fields of promotion, recruitment, rotation, and elimination of personnel.

In May 1960, at its 61st meeting, the Council had the interesting task of commenting on yet another Inspector General survey -- this one on the CIA Career Service -- which included the recommendation that the Council be abolished.* Although its end was in sight, the Council was not dead yet, as its comments to the DDCI showed: 45/

The Career Council and the Supergrade Board. The Career Council did not agree that these bodies be discontinued but proposed instead that they continue to perform the work presently assigned to them. The transfer of their functions to an Agency Career Development Board is therefore not recommended.

Career Development Board. The Council did not agree to the establishment of this Board as proposed by the Inspector General. It does recommend the appointment by each Deputy of a Career Development Officer, the exercise by this officer of authority granted to him by the Deputy in the furthering of the career development of individuals within that component, the formation under the cognizance of the Career Council of an Agency board composed of three Career Development Officers and chaired by the Director of Personnel which will develop Agency career development policies and arrange, with the concurrence of the Deputies concerned, for the movement of individuals from one major component to another in the interest

* For Colonel White's formal reply to the Inspector General's report, see p. 71.

of career development. It is understood that failing such concurrence the Director of Personnel may appeal the decision of one or more Deputies to the Director of Central Intelligence.

The Selection Board and the CIA Career Staff. The Council concurred in the Inspector General's recommendation that the Selection Board and the Examining Panels be discontinued and that selection of individuals into the Career Staff become the responsibility of the Heads of Career Services. The five-year service requirement for membership in the Career Staff, as proposed by the Inspector General, was not considered advisable. Instead, there was agreement (1) to retain a minimum three-year waiting period, and (2) to establish a minimum age requirement of 25 years.

Career Services. It was the consensus of the Council that the basic Career Service structure should be retained and that no attempt be made to convert to occupational services as proposed by the Inspector General.

Individual Career Planning. The Council agreed to the proposal of the Inspector General to prepare and distribute to all employees a brochure explaining the purpose and objectives of the Career Service program and the methods of implementation, it being understood that publication would be deferred until after the first major reduction in force was effected.

The Council held its 69th and last meeting on 1 February 1962.

It was succeeded by a Personnel Advisory Board (PAB) composed of second-echelon members reporting to the Director of Personnel. The PAB fell into disuse and held its last meeting in 1965.

Considering the high level of its members, the Council functioned on an informal basis. The Executive Secretary, [REDACTED] prepared the 25X1A agendas in accordance with instructions from the Chairman or the members. 46/ The Chairman called the meetings as necessary. There were

no regular schedules. Decision was by vote, and because many of the topics were so basic and weighty, there was a heavy carryover of old business. The Council met 69 times -- 22 of the meetings taking place in 1956 -- and the senior officials who were members were remarkably faithful in attendance.*

If the personnel office was not the leader, it surely was the workhorse for the Career Council and the Boards. Most Council deliberations ended with the words, "It was agreed that the Director of Personnel would" Out of 85 proposals and regulations considered by the Council, 80 were staffed in the Office of Personnel. For a time there were, in effect, two "Offices." One attempted valiantly to support the Council with staff studies and position papers and furnished the Secretariat for the Council and for the CIA Selection Board. This

* The high attendance rate of principals was undoubtedly motivated by a genuine concern for the Career Program; to an unusual degree people were CIA's most important asset. There were also important interests to be guarded. [REDACTED] representing the DDP, (Frank Wisner never took part in the Council) Amory, the DDI, and White, the DDS, were speaking for the three major career services. They had most of the "troops" under their command. The Inspector General, Mr. Kirkpatrick -- a very active participant in the discussions -- having no troops to speak for, usually took an Agency position in deciding, for example, on contending Directorate candidates for the Senior Officer Schools. Kirkpatrick, having been a major participant in the policymaking process, then reviewed these policies as the Inspector General. IG surveys that concerned administrative matters were referred by the DDCI to the DDS as the line executive most directly concerned. A set-up that would be the despair of the student of public administration met the pragmatic test. It worked.

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25X1A "Office" was headed by [REDACTED] who reported nominally to the Assistant Director for Personnel (AD/P), Harrison Reynolds, but as Executive Secretary to the Career Council had daily access to the top officials of the Agency. The other and main Office of Personnel, headed by the Personnel Director, George Meloon, had to maintain the daily business of personnel administration -- recruitment, placement, job classification, employee relations, separation, records and reports. The changes in the planning staffs of the Office of Personnel reflected the sharp division between career program and conventional personnel administration in the Agency. At the beginning of 1953, the Personnel Studies and Procedures Staff (PSPS), OP was divided into a Research and Planning Staff (RPS) and a Career Development Staff. RPS functioned in direct support of the Personnel Director.* It was in effect his staff, and as such conducted studies of personnel procedures and organization, wrote the regulations, and made the statistical reports on Agency personnel as he directed. The Career Development Staff, on the other hand, was under the direction of the Executive Secretary of the Agency Career Service Board and worked in direct support of that Board. In August of 1953 the two staffs were combined into a Personnel Studies and Procedures Staff -- renamed the Plans, Research and Development

* The post of Personnel Director was changed to Deputy Assistant Director for Personnel in January 1954 with George Meloon remaining in the job until his resignation in March 1955. After a year as Personnel Director for Headquarters, Post Office Department he returned

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he retired in 1970 as Director of Logistics. See source 68, p. 259 for Colonel White's statement on Meloon.

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Staff (PRDS in 1954* -- and placed under the direction of the Executive Secretary of the Career Council, [REDACTED] who was shortly to be named the Deputy Director of Personnel for Planning and Development (DD/Pers/PD). For the next few years the process of combining and then separating the two staffs was to be reenacted on almost an annual basis as the Agency "Career Staff" concept waxed and waned throughout the fifties. 47/

* PRDS at this time was furnishing staff and secretariat support to (1) CIA Career Service Board, (2) Professional Selection Panel, (3) CIA Honor Awards Board, (4) Legislative Task Force, (5) Women's Task Force, (6) Junior Officer Task Force, (7) Insurance Task Force, (8) Information Task Force, and (9) DDA Career Service Board; (10) It was also processing Requests for Career Development positions. 48/

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Selection for the Career Service

The process by which the individual employee was selected for the career service went through three distinct evolutions before settling on the course that it has followed since 1960. Unfilled T/O's and competition for people -- rather than among people -- characterized the times during the first round. In the early 1950's employment grew by leaps and bounds, responsive to outside factors, mainly the Korean conflict.* The work force was mostly in place by the time career concepts were thought out, so the process was one of fitting the foot to the boot. People were busy learning the jobs for which they had been hired on the basis of short-term job requirements and security considerations; and having run the employment gantlet, they found the career concept a rather abstract one. The basic and very human question, "What's in it for me in return for the solemn pledge to go anywhere?" was very difficult to answer even for CIA employees whose level of dedication was higher than that of people in most organizations. Personnel staffs were struggling with papers on the tangible benefits of memberships in the career service, and they were having a difficult time finding any. Employee participation in the development of the program and better management communication with the employees might

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have helped the motivation factor, but these concepts were a decade or more away.*

* In 1970 -- with a Management Advisory Group consisting of a cross section of Agency employees by age and Directorate advising the Director on broad policies -- it is difficult to recall the atmosphere of the time. For example, at the 1954 meeting introducing the Career Staff concept the writer suggested from the floor that employees be given a voice and some representation in the career program only to be met with the response from the Inspector General, "I represent the employees."

Designation to a Career Service -- The First Round, 1952-54

The first round in the selection process took place in the 1952-54 period under the guidance of the Career Service Board and was governed by the provisions of [redacted]

[redacted] With the employee in a passive role, the initial career designation was predicated on his placement under the Office Service Board* that corresponded to the type of work officially designated; the Office Service Board had responsibility for career planning. Any Staff Employee or Staff Agent, the two groups that were defined as career employees, could request a change in his career designation; this change required the approval of the Career Service Board. The Assistant Director for Personnel was responsible for assigning an appropriate career designation for each new employee entering on duty. A tour of duty of two years or less with another component would not in most cases affect a staff employee's

* In 1954 there were sixteen Career Services representing separate offices: Training, Communications, Personnel, Plans, Clerical (DDS), Foreign Intelligence, [redacted] 25X1A Technical, Intelligence Production, Collection and Dissemination, Operations, Administration, Budget and Finance, Logistics, Medical, and Security. 49/

career designation. An Agency-level body, the Professional Selection Panel,* was put to work developing suitability criteria for entry into the career service; suitability meant those factors beyond the objective criteria of education, qualifications, and experience that might indicate long-range potential for Agency service -- such things as integrity, habits, character, and the like. The Panel spent a lot of time in deciding on what their functions were 50/ and it took them a year to come up with a paper, dated 4 August 1953, entitled "Determination of Suitability for Permanent Appointment to the Career Staff." So difficult had the formulation of suitability criteria proven to be that even this was not an agreed statement. Most of the criteria** were upper level

* Established on 22 August 1952, the Professional Selection Panel consisted of two representatives from the overt offices, two from the covert offices, one from the support offices, and one advisory representative each from the Personnel, Security, Training, and Medical Offices. Robert Wattles (Director of Personnel from February 1968 to December 1970), at the time a Special Assistant to the DDA was the Panel's first Chairman. Others who served in 1952 were Messrs.

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** There were eighteen criteria in the 4 August 1953 paper grouped as follows:

Ethical Adjustment

1. Integrity, 2. Morality, 3. Faithfulness;

Psychological Adjustment

4. Objectivity, 5. Adaptability, 6. Anonymity,
7. Acceptance of Discipline, 8. Emotional Control;

Intellectual Readiness

9. Career Desire, 10. Discretion;

Personal Readiness

11. Economic Preparedness, 12. Freedom of Action;

Social Adjustment

13. Sense of Personal Proportion, 14. Social Acceptability,
15. Cooperation;

Productive Capacity

16. Industry, 17. Effective Intelligence, 18. Mental Vision.

abstractions that were academic, at least as far as the first round of career selection was concerned. The Panel made a noble effort to think through the requirements for professional positions in the Agency, even to tackling the basic question of definition. The Panel defined professional positions as those that offered direct opportunity for career service by developing an individual's understanding or skill in the use of intelligence techniques and thereby preparing him for progressively more responsible specialized or executive assignments. The Panel considered that all positions at GS-07 and above automatically fell within their definition, with others to be added at lower levels by the Personnel Office in consultation with the Panel.* One actionable recommendation did emerge from the Panel. It suggested that a permanent CIA Selection Board be established; this would have a Panel of Examiners composed of experienced members of the Career Staff, GS-14 and above, and subordinate panels as required. These panels would screen candidates and develop suitability criteria as they went along, while the

* The Classification and Wage Division (CWD) was charged with this task. The definition became increasingly inadequate as the Agency became increasingly technical and as grade escalation grew. Unfortunately the Panel's efforts were not tied in with the more prosaic work on qualification and position standards taking place in CWD, more or less in obscurity, which very early hit on personal mobility as a prime suitability factor and which attempted to obtain unsuccessfully from the operators the assignment of "weights" to the various factors of difficulty in Agency positions as identified by CWD.

Board observed things from on high. This mechanism functioned under the guidance of the Career Council throughout the second round of the selection process involving the Career Staff concept (1954-60), and it succeeded in that it involved large numbers of Agency officials -- there were 65 on the Panel in 1954 -- in the Agency-wide problems of personnel administration of Agency professionals.

Career Staff -- The Second Round, 1954-60

Two years after the original Career Program went into effect, and with everybody assigned to one of the 16 Career Boards, a new concept, that of the Career Staff, was introduced in Regulation [REDACTED] effective 25X1A on 1 July 1954. The action followed a survey* of the Career Program by the Inspector General, one in which he reported to the DCI that office Career Service Boards had "functioned with varying degrees of effectiveness and authority;" some were purely advisory; others had more influence in that they concerned themselves largely with matters -- promotion, transfer, and the like -- that had previously been handled on a routine basis by the individual offices. Kirkpatrick felt that the boards had continued office nationalism and had done nothing to further making employment with CIA a Career. The Career Staff concept was developed in an attempt to overcome these difficulties by creating

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* The IG made his report in January 1954; in April 1954, [REDACTED] the Special Assistant for Career Service, became responsible to the Assistant Director of Personnel for the planning work preparatory to the reorganization of the Career Service Board and the change to the CIA Career Council under the chairmanship of the AD/Pers, which also took effect on 1 July 1954. The planning included organization and chairmanship of task forces on Promotion, the CIA Career Service, Evaluation, Career Development of Junior Personnel, Overseas Rotation Planning, and Responsibilities of Component Service Career Service Boards; and the reports were incorporated in regulations, procedures, and Agency notices activating the new Career Staff Program.

a CIA presence in the Career Program, one which would give the employees a sense of belonging to the Agency over and above the routine employment relationship with their Office. The Career Staff was defined as a group of carefully selected and trained individuals who accepted an obligation to devote themselves to the needs of the Agency and who intended to make a career with CIA. Consideration for selection -- every staff employee or staff agent, regardless of grade, could apply -- was based upon voluntary application by personnel who had completed a provisional period of three years of satisfactory service with the Agency.* At the three-year mark the form for application to the Career Staff was furnished to the individual by the Office of Personnel. In returning it the applicant accepted the obligation to serve anywhere and at any time for any kind of duty, as determined by the needs of CIA. Applicants were assured that full consideration would be given to their particular capabilities, interests, and personnel circumstances; that just and equitable attention would be given to their personal progress; and that reassignment compatible with their abilities and career interests would

* The Agency pioneered in setting three years as the Career trial period; the Civil Service Commission adopted the policy on a government-wide basis some years later. However, the legal probationary period for employment of one year was never changed. The question of the relative status of the person who did not choose the Career Staff, particularly if he was entitled to Veteran's preference, was never answered.

be offered upon satisfactory completion of any assignment. The system was based upon mutual assurances -- on the part of the Agency as well as the individual -- of good faith, intent, and purpose, rather than on specific and binding legalistic or contractual agreements. The so-called "benefits,"* therefore, were largely intangible and demonstrable only over a period of time; there were no guarantees of specific advancement, assignment, or development action.**

Because the system was based on the assumption that each staff employee who had been with the Agency for three years was a potentially suitable member of the Career Staff, the selection criteria were negative and were designed to seek out reasons why an individual should not be granted membership. The candidate's supervisor, the Head of his Career



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Service, the Career Board, the Examining Panel, and the CIA Selection Board reviewed the candidate's record and reached a decision as to his acceptability in the Career Staff.

In order that this major change in the Agency's personnel management program would be thoroughly understood and that the policies and principles be disseminated as rapidly as possible, a Career Service Conference, presided over by [REDACTED] Assistant Director of Personnel, was held on 3 August 1954. The DCI and DDCI addressed the Conference, as did each of the seven members of the CIA Career Council. More than 600 officials and senior supervisors attended the conference; the recommendations of the Career Service Board and its working groups were discussed; and new regulations on the career staff, career development of junior personnel, fitness reports, promotion, rotation, and career benefits were explained. Questions, which had been solicited throughout the Agency, were dealt with in a question-and-answer period at the end of the conference. 51/

Applications for membership in the Career Staff were accepted, deferred, or denied by the CIA Selection Board.* Between January 1955

* A Selection Staff in the Office of Personnel supported the Board in this task. The Staff reported to [REDACTED] who on 1 June 1955 was named Deputy Director of Personnel for Planning and Development. 25X1A

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and June 1960, the Board considered [REDACTED]
were approved.*

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Career Conversion Program -- The Third Round, 1961 to Date (1971)

The third and final round, called the Career Conversion Program, was triggered by the 1960 IG Survey in which the IG had indicated that the Career Staff concept had proved inadequate.* Kirkpatrick had recommended its discontinuance -- along with the Career Council, the CIA Selection Board, and the Examining Panels -- and had recommended that selection into the Career Services become the responsibility of the Heads of the Career Services. From this point on, the history of

* Comments of the Career Council on this Survey have been described on p. 55. The DDS, Colonel White, also commented on the IG Survey in a Memorandum to the DCI on 19 May 1960. This memorandum is another key document in Agency personnel administration, particularly Tab A, Philosophy of Career Service. Colonel White agreed with the Council comments and went further to suggest that each Deputy Director appoint a Career Development Officer to work with the Deputy Director to further the Career Development of individuals in that component and to serve on a Personnel Development Board chaired by the Director of Personnel. This Board would recommend Agency career policies and arrange, with the concurrence of the Deputies concerned, for the movement of individuals from one component to another in the interest of Career Development. In this same memo Colonel White also stated, "The Career Service has by no means been a failure and several important accomplishments of these past years must be at least partially attributed to this system. It has been gratifying to me to note the vote of confidence given by all the DD/S Office Heads and by other components as well to the Achievements of our Personnel Director or the Personnel Officers generally in relation to the line managers and heads of the Career Services. Personnel Officers have the responsibility to lead in the establishment of policy, systems, etc. In the final analysis, however, their function is one of service and assistance." 52/

the Career Program became, in large measure, the history of the individual Career Services. The Career Council survived the 1960 IG recommendation that it be abolished; but not for long. It was replaced in February 1962, after 69 meetings and eight years, by a new Personnel Advisory Board, which -- in turn -- died on the vine in 1965. During 1960 no new applications for the Career Staff were sent out by the Office of Personnel. Effective 15 September 1961, all members of the Career Staff were automatically converted to Career Employee

25X1A status. [redacted] dated 6 September 1961, Categories of Personnel, established a new appointment system and reaffirmed the Agency's intention to foster a Career Service. New personnel were entered on duty in a "Career Provisional" status. At the end of the employee's first three years of Agency service, but not before his 25th birthday, his name and all pertinent information was referred to the Head of the Career Service. 53/ The Career Service Head then recommended to the Director of Personnel the employee's conversion to Career Employment Status, deferment of recommendation for a period not to exceed one year, or termination of the individual's Career-Provisional appointment.*

* The mechanism in use since 1962 follows a procedure by which computer-produced name lists of those reaching the three-year mark are furnished periodically to the Special (confidential) Assistant to the Director of Personnel, who heads the Special Activities Staff (SAS) in the Office of D/Pers. Information from the Official Personnel File and from other files is summarized for the Head of the Career Service, who returns his recommendation to the SAS. The Staff then monitors the processing of personnel actions, conducts follow-up, and gives necessary assistance in cases that have been deferred.

Individual Career Boards and Services

In his criticism of the individual boards and services the Inspector General deplored the multiplicity of boards and services, their parochialism, their short-sightedness, their lack of uniformity, and their lack of Agency orientation.* These were sweeping indictments, but it would be neither fair nor accurate to let the subject rest there when, in fact, the burden of accomplishing the transition from routine personnel administration to career management fell largely to the individual services. In addition to decision making about people -- their assignment, promotion, and advancement -- the Boards under the leadership of the Career Council considered and implemented policies on a wide range of career management matters.** A listing made from

* An interesting exchange took place at the 42nd meeting of the Career Council, on 25 April 1954. Kirkpatrick: "How many career services do we now have?" [REDACTED] "I can't define a career service any longer." [REDACTED] "If the Executive Secretary of the Career Council can't do that, how can the rest of the Agency?" 25X1A

** 1956 was the peak year in Council activities. The Career Council met 22 times; basic regulations and policies were formulated. The individual Career Boards were reporting progress regularly to the Career Council.

1956 reports of the individual Career Services to the Council showed these activities.

Individual Career Planning
Assignment of Overseas Returnees*
Personnel Requirements for External Recruitment
Rotation Planning
Service Designations
Review of Personnel Actions
Inventory of Positions
Specialized Office Training
Office Trainee Programs
Promotion Policies and Ranking of Eligibles
Criteria for Best Qualified
Senior Career Development Programs
Language Requirements for Analysts
Policy of Announcement of Vacancies
Review of Fitness Reports
Criteria for Transfer from Clerical to Professional Positions
Statements of Approved Personnel Policies
Review of Area Familiarization Requests
Policy on Employment of Key Individuals from Outside
(Lateral Entry)

* Former Personnel Director Meloon, who was not exactly a "believer" in the Career Program, stated in a January 1971 interview that the major accomplishment of the Career Services was the improvement in the case of the employee returning from overseas. It was rare, he said, before the Career Services came into being that a position was found in advance for an employee returning from overseas. This led to a reluctance on the part of people to accept overseas assignments -- while they were overseas, someone would take their job, desk, and chair and additionally be their boss when they returned home. This new boss frequently was unable to find a spot for them. The Career Service concept changed all this for the better, said Meloon. The Head of the Career Service was given directed placement authority and responsibility for finding a spot for the returnee. As a practical matter, it would have been very difficult to place such authority for the whole organization in the Personnel Office. 54 Refer to footnote on p. 76 for Lyman Kirkpatrick's appraisal of the major accomplishment, which was stated as "We had drawn together the many different elements of the organization into a common program."

There were wide variations among the boards and panels in their approach to these problems, variations which to some extent reflected the diversity of the Agency. The CS Career Service required, or thought it did, personnel policies on rotation, competitive promotion, directed assignment, and early retirement -- requirements that the overt side, and particularly the Directorate of Intelligence, actively resisted. The largest services -- the CS Career Service and the Office of Communications Career Service -- had overseas rotation as their most insistent personnel problem. As a result they were more demanding of their people in the requirement of mobility as a pre-requisite for career consideration. Both of these services were complete self-contained administrative entities, active across the board in policy development, assignment, training, career planning, fitness reporting techniques, and rotation; others limited their responsibilities to promotion recommendations.* The personnel support

* Several Agency-wide policies originated with the individual Boards. The Clandestine Services Career Service Board (CSCSB) introduced the first of two rare birds that appeared around the Agency in the 50's. They called theirs the Black Duck to describe the Personal Rank Assignment (PRA) policy developed to permit free play for the Competitive Promotion Policy regardless of the grade of the job held by the individual. When it was adopted as Agency policy, Harrison Reynolds, the Director of Personnel, tagged it "Blue Goose," an even rarer bird, and used PRA in a slightly different connotation to permit temporary assignment of a higher grade individual to a lower graded job for a variety of reasons. CSCS difficulties with clerical and lower graded professionals who were administered by two separate panels led to Agency adoption of the single-grade promotion policy when Gordon Stewart was Director of Personnel. From the beginning, the CSCS and the Office of Communications were prime movers in the push for early retirement legislation.

mechanism for the CSCS was organizationally meshed with Agency personnel administration although it operated independently of it. 56/ For example, in 1956 the Chief personnel officer for the Clandestine Services was also Secretary of the CS Career Panel and Chief of the Covert Branch of the Placement and Utilization Division (PUD) of the Office of Personnel.* The other CS Personnel Officers had dual roles as secretaries to panels and as placement officers. The panels of the CSCSB were eventually set up on a service-wide, grade break-basis; GS-14 and up, GS-12 and 13, GS-07 to 11, and Clerical was one arrangement followed. The Office of Communications, on the other hand, was almost completely detached from the central scene. Its panels were

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* [REDACTED] was Secretary to the Clandestine Services Board (and Panel) for eight years, 1952-60, and "lived through" the effort to centralize personnel management of Clandestine Services Personnel. Other Personnel Officers on the covert side during these years included

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[REDACTED], and others. Their dual roles placed these people in a delicate position that defied the usual neat distinction between line and staff and necessitated striking a proper combination of service attitude with advice on the regulations, more of the former than the latter. In time they formed a breed separate from the 100 percent staff types in the central Personnel Office. A dual role was also played by personnel officers in other components such as the Office of Logistics and the Office of Training subjecting these individuals to the stress and strain of divided loyalty with their line-manager boss making out their fitness reports and the Director of Personnel having the assignment and promotion decision in his hands.

arranged on a functional basis -- engineers, technicians, radio operators, cryptography, and commo security, for example -- and were staffed by the appropriate line manager and supported in later years by a full-time Career Management Staff that was composed of Communications careerists. Central Personnel had very little to do with career management in this Service, but personnel officers did serve in the administrative component of the Office.* From the standpoint of integration -- or lack of it -- the other services fell somewhere in between these two in the central personnel administration of the Agency. Appendix D shows the lineup, again using the year 1956, with Personnel Officers asterisked and with the CSCS showing the jurisdictional arrangement from which it was about to depart in favor of the service-wide grade break just described.**

Reduction in the number of boards and services as recommended by the Inspector General might have contributed to a more uniform approach to the career program, but all attempts to reduce them failed

* The statement is made with some chagrin. Under the leadership of their long-time Director (July 1951-November 1965), [REDACTED] 25X1A [REDACTED], USAF, the Office of Communications developed what many consider to be the best Career Program in the Agency.

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** See p. 76.

because of administrative and jurisdictional practicalities.* Whatever the pros and cons, the Boards and Services survived the decade of change and development. Their role was further strengthened with the abandonment of the Career Staff concept in 1960, when the decision was made at the highest levels to place the authority and the responsibility for the career management of their people with the heads of the individual Services assisted by the Career Boards and Panels; and there they have remained since. The current** Agency Regulation 25X1A on the subject, [redacted] revised 8 August 1967, described the responsibilities of the 23 career services***:

* In rejecting the 1960 IG proposal for six services set up along occupational lines (Administration, Clerical, Technician, Specialist, Intelligence, Communications), DDS officials stated that this system would foster management problems cutting laterally through all organizational units -- problems almost inevitably greater than vertical problems in CIA. 57/ The Personnel Director, at the time George Meloon, in an interview in January 1971 stated that the operating officials saw the Career Program as an opportunity to run their own show without interference from the Personnel Office, an attitude he found more understandable in later years as Director of Logistics from July 1965 to January 1970. 58/

** December 1970.

*** Office of the Director	E	Intelligence	I	Photo Int	IP
Legal	EL	Basic & Geo	IB	Imagery Anal	IA
Clandestine Services	D	Current	IC	Econ Res	IR
Research	R	Nat'l Est	IN	Cen/Ref	ID
		Dom/Contract		IT	
		[redacted]			STATSPEC
		Strat/Res		IX	

Support	S	Medical	SM
Commo	SC	Personnel	SP
Finance	SF	Security	SS
Logistics	SL	Training	ST

The Heads of Career Services are responsible for monitoring the application and functioning of the Agency Personnel Program as it applies to members of their Career Service Including:

Improving and strengthening personnel administration within that Career Service.

Planning the utilization and development of such individuals including their training, assignment, rotation, and advancement.

Reviewing fitness reports of such individuals.

Planning the rotation and reassignment of such individuals to enable that Career Service to meet long range personnel requirements through orderly processes.

Reviewing requests for personnel actions to reassign, promote, demote or separate such individuals and recommending appropriate action to the Director of Personnel.

Reviewing proposals for the training of such individuals and recommending their participation in Agency-sponsored training.

The Regulation repeated -- possibly as a check on the absolute power of the Career Service Head -- the requirement that Heads of Career Services establish a Career Board with subordinate panels as necessary. Each Board* was to consist of the Head of the Career Service ex officio, three or more staff or division chiefs, and a senior personnel or administrative officer to provide technical assistance and advice. 59/ By

25X1A

* [REDACTED] long-time member, and [REDACTED] one-time member, describe the inner workings of one individual board, that of the Personnel Career Service (as shown in source 59).

25X1A

this time the Career-Management-Officer concept had spread to a point where most of the Boards had a professional personnel officer in that post who served as Secretary of the Board and advisor to the Head of the Career Service. Duties included preparing agendas and background information on promotion candidates, advising on assignments, proposing and reviewing training and development assignments, and implementing Board decisions.

III. Basic Personnel Administration in the Fifties

Problems of the Meloon Period, 1951-55

On 30 July 1951, George Meloon was named Acting Personnel Director, succeeding William Kelly. The term "Working" Personnel Director would have been more appropriate because in the same month a new and higher level post, that of Assistant Director (Personnel) (AD/Pers), was created, ostensibly reporting directly to the DCI and ostensibly the superior in the organization line to the Personnel Director.* Meloon had to cope with this arrangement through the four years of his regime -- and also with four Assistant Directors (Personnel). 60/

During the first part of Meloon's regime, the central personnel office -- or at least the part of it that reported to the Personnel

* Ostensibly on both scores because the AD/Pers never did attend the Director's staff meetings or the Deputy Director's meetings, and Meloon had a de facto chain of command to worry about, particularly when things went wrong. In January 1952 Colonel White was named Assistant Deputy Director, Administration (A/DDA), and became, in effect, the working DDA and Meloon's line boss. The capable and contentious [redacted] was moved over to become Chief of Administration, DDP, presumably on the principle that "if you can't lick 'em, join 'em." Colonel White was the key figure in General Smith's drive to establish central administrative controls over the disparate elements of CIA. (See footnote on p. D2 for a biographic statement on Colonel White.) The Personnel Director and the Personnel Office reported to the DDA while the Assistant Director for Personnel (AD/Pers) reported to the DDCI and the DCI. (See Figure 2, p. 37)

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Director* -- was called upon to meet the requirements created by the sharp buildup for the Korean conflict. Agency strength was increased 25X9 from [REDACTED] in June 1951 to [REDACTED] in December 1952. Rapid expansion 25X9 was followed quickly in 1953 and 1954 by stabilization -- so quickly, in fact, that ceiling controls were being imposed, tables of organization reduced, and the brakes clamped on a free-wheeling organization before the momentum for expansion had run its course. Always unique administratively, CIA experienced hardening of the bureaucratic arteries while still suffering from growing pains.

Meloon's first move upon taking office in July 1951 was to press for an enlarged T/O for the Personnel Office, which had just received authorization for 41 recruiting officer positions. His supporting statement, although couched in the technical jargon of the trade, was a classic in its way, describing the close interrelationships of the

* The development and implementation of the Career Program was going on in a separate operation during these years, as described in the previous chapter. The Assistant Director (Personnel) as the top personnel official was called on to represent the Personnel Office. As a result, the Personnel Director was not in a position to change or affect the Career Program directly. The Executive Secretary (and prime mover) of the Career Service Committee, later Council, [REDACTED] nominally reported to the Assistant Director (Personnel) but actually, through the Career Council, had direct access to the top officials of the Agency. [REDACTED] was the guiding spirit of the whole complex of Boards and Panels. In addition to being Executive Secretary of the top body, he was Chairman of several of the subordinate panels and worked closely with the Career Service Boards and Panels, particularly with their personnel officers. He was also head of the small Career Staff of personnel technicians in the immediate office of the Personnel Director.

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various functions of personnel administration and the necessity for keeping them in balance. 61/ Increasing the number of recruiting officers was not enough:

Sound personnel procurement cannot be carried on in place of continuing in-service placement efforts to match abilities with jobs; effective screening of applicants in hiring procedure serves no real purpose if the employee's performance on the job is not subsequently appraised; neither recruitment nor hiring procedures achieve full success unless correlated with training and career development activities; and none of these programs is of much avail unless job relationships are such as to create an agreeable working environment for the employee. A plan which incorporates these elements of personnel administration requires the numbers and kind of individuals who -- performing in a staff role -- can have the continuing day-to-day means to influence operating officials to adopt sound principles of personnel management.

Meloon estimated in this same paper that approximately [redacted] new clerical employees would be required in fiscal year 1952 and that it would be necessary to recruit for approximately [redacted] vacancies in [redacted] executive, administrative, professional, and technical categories. In the face of these kinds of requirements there could be no doubt that recruitment had the top priority, and most of the augmentation of the Personnel Office went into this function and into the processing units required in immediate support of recruitment.* The problems were formidable.

25X9

25X9

25X9

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Recruiting seasons, clearance and processing lag time, personal availability, and the job market were variables over which the Personnel Office had no control.* The necessity of replacing an average attrition of [redacted] people per month added further complications. [redacted]

25X9

25X9

people were entered on duty in the high "availability" month of July 1951, illustrating the frantic nature of the buildup, which caused the Security Director, Colonel Edwards, to ask that a stop be called lest the situation get out of control. 62/ The Personnel Director has described the math-

25x9

* Military strength was more than doubled to reach a high point of over [REDACTED] These people could be ordered in with the cooperation of the services as described in the Unit History of the Mobilization and Military Personnel Division, Support Services Historical Series, OP-5, by Carroll [REDACTED] The civilians could not be programmed quite so neatly.

• 25x9

** Statistics for June 1951 to June 1952 are not available but would undoubtedly be higher. [REDACTED] who was Executive Officer of the Personnel Procurement Division from August 1951 to August 1952, recalled in a February 1971 interview that they achieved [REDACTED] "new" employee month during that period. [REDACTED] also said that Personnel was just one jump ahead of the sheriff in terms of requirements placed on it in this period. (See source 76)

25X1A

25x9

Early in 1952 the Director, General Smith disturbed by the overly ambitious and somewhat unrealistic plans of the operating officials, 25X9 imposed a Personnel ceiling of [REDACTED] for the balance of the year. 65/ His action, and the winding down of the Korean conflict, brought the wild expansion to a halt.* Its effects, however, were to continue for a generation or more and were to be felt both by the Agency and by the Personnel Office in a hundred different ways.

Probably the most important long-range effect of the sudden expansion was a phenomenon that has since been called the Korean Hump. This was a clustering by age level of the people who were to occupy managerial and professional positions in the Agency. This grouping, or hump, moved along largely intact; it was particularly severe in the "closed" society of the Clandestine Services, where its presence caused promotion blockages with resulting pressure on the grade structure and the threat of a kind of block obsolescence because the annual attrition

25X9

in these grades was negligible. The hump made some kind of a "force-out" and early retirement policy inevitable in the Clandestine Services* and, because they "ruled the roost" on personnel policies, inevitable in the Agency.** Another result was described by the then Personnel Director in an interview in January 1971. 66/

One result of the pressure for immediate expansion was a "letting down of the bars," which is still being felt today. If it was a warm body, we would take it; and we have some of these warm bodies on duty today creating some of the Agency's personnel problems.

* Thirty percent of the males GS-09 and up in the Clandestine Services were in the 35-39 age group according to a 1959 statistical study prepared in connection with a proposed Manpower Control Program for the CS. (See Figure 4, p.121)

** Could the Korean Hump have been avoided? The question is an intriguing one for the student of personnel administration. The Agency was not thinking in manpower terms in those days, and such actions as "rationalizing the in-put" -- that is, putting numerical and age limits on the grades similar to military practice -- would not have been tolerated in what was essentially a job requirement rather than a career situation. Greater use of contract personnel in the [REDACTED] 25X1A 25X1A jobs such as was done in the Vietnam era would have helped. It would seem that the golden opportunity to rationalize the professional manpower situation was lost in the various cycles that the Career Program was going through in the fifties, particularly in the six-year effort with the Career Staff concept. However, this is pure speculation, as even the highly structured Naval Officer system had to seek statutory means to divest itself of the World War II and Korean Hump in the mid-fifties.

Effect on the Personnel Program. The change from rapid expansion to sudden halt had a devastating effect on the personnel program. The Smith freeze brought the recruiting drive, which was just beginning to gather full momentum, to a screeching halt. The recruiting staff had to be reduced or assigned to other work that involved the more pedestrian aspects of personnel administration. In-put of new personnel was reduced below the point necessary to maintain an orderly flow of people into the personnel system, although a special effort was made to maintain a flow of [REDACTED] per year for the Junior Officer Training Program (JOTP). The result was a "valley" behind the hump, which was to move along just as persistently and lead to problems of succession and executive development in many of the Career Services. The gap between the first team and the second team was widened, and the carefully selected young professionals, who were added in spurts in later years, were to have great difficulty moving through the middle levels.

Actions on these problems and others, such as inter-service rotation and directed assignment, were required at the Agency level; but Agency action was inhibited by the multiplicity of career services that were by now functioning on an autonomous basis.

Reconciling Tables of Organization and Ceiling Allocations.

Another impact on personnel administration was psychological. CIA became a large organization almost overnight -- there was a 168-percent

25X9

increase in strength between June 1950 and June 1953 67/ -- so fast in fact that the consequences never really registered throughout the compartmented organization. The system and control problems that size brought with it were foreign to the experience and interests of most of the people now cast, perforce, in supervisory and management roles. Tables of Organization were a case in point. Faced with unprecedented expansion into unorthodox activities and without much guidance in the form of standardized manning tables or experience factors, supervisors and project officers had gone through the motions of developing T/O's on a "guesstimate" basis, firmly convinced that the whole thing was an academic exercise for the benefit of the administrative types in the Personnel Office or maybe the Management Office. The result was that Agency T/O's in 1952, in the main, were planning documents of doubtful validity. For example, when the Director imposed the freeze at [redacted] level, Agency T/O positions totaled [redacted] 25X9 25X9

The discrepancy between T/O and strength led to loose management, as it offered plenty of headroom and maneuver room and enabled line management to make the decision as to which position was vacant on an ad hoc basis when the employment decision was made. The discrepancy was acceptable when line officials could run their own show and while the Agency was expanding. It became an impossible situation in 1953-54 when the Agency, by now a large organization, was faced with central manpower controls, allocation of limited resources

among competing needs, and elimination of duplicating functions. All the dry, management type of control activity typical of large organizations was a new experience to the people of CIA; and it was one that they really did not have time to absorb before it was on them.

The attempt by top management to reconcile T/O's and ceiling, imposing as it did restraints on both numbers and grades, came as a shock. The hitherto harmless Table of Organization suddenly threatened to become a control document governing just about every personnel action -- be it appointment, assignment, transfer, or promotion. Personnel administration, through the function of job classification, played a highly visible part in the change and in administering the shock.*

* From the earliest stages, the establishment and management of positions were controlled by Tables of Organization, probably as a result of the strong military influence in Agency administration. T/O's, and later personnel ceilings, involved the substantive programs of each operating office, the Agency's budgetary policies, and various problems of organization structure. Administrative jurisdiction was divided between the Management Staff, the Finance Office, and the Classification and Wage Division of the Personnel Office. Actually, the Management Staff -- headed in 1952 by [REDACTED] -- coordinated the budget, ceiling, and personnel aspects and presented the T/O's with their recommendations to the Deputy Director, Administration. By an interesting arrangement indicated in early editions of [REDACTED] on the subject, Colonel White could approve but not disapprove the T/O's. Classification (CWD) was concerned solely with the grade structure and was particularly concerned with avoiding the "all chiefs and no Indians" syndrome when the T/O's were cut back. However, CWD physically issued the approved T/O's, was custodian of all Agency T/O's, and became indelibly fixed in the minds of the operators as the villains in the piece. Again, it must be noted that most classification analysts were transferees from other Federal Agencies where classification "ruled the roost," and it took a while to adjust to the subtleties of Agency administration.

A storm of criticism was heard throughout the Agency, the main complaints being directed at the T/O system as too rigid and inflexible -- which it probably was;* at job classification methods as confining the Agency within Civil Service rules from which it had been purposely exempted;** and at the Personnel Office and its Director as being old line and inflexible. Following an extremely critical survey report of the IG in December 1953, the crisis of confidence became so severe that it had to be recognized by top management, and it led indirectly to the resignation of the Personnel Director, George Meloon, early in 1955, 68/ although the IG had said that the Agency's greatest need was for a strong, capable Assistant Director of Personnel (AD/Pers).***

25X1A

* In a January 1971 interview, [REDACTED] long-time Chief of Classification and at that time Deputy Director of Personnel for Planning and Control, had this to say about the situation in the 1953 to 1955 period: "The constantly expanding T/O's made control difficult. The gap between strength, ceiling, and T/O made control impossible. The drive to bring ceiling and T/O together in 1953-54 resulted in the charge of inflexibility. Operators felt caught in the squeeze. The stabilizing of the Agency caused intense pressure on the grade structure. The Civil Service label was pinned on the Personnel Office as a term of opprobrium and probably stemmed from basic disagreement among operating officials on the original decision to use CSC pay scales." 69/

** The Classification and Wage Administration Division, the so-called CWD, had developed an Agency Handbook of job codes and titles and began a program to develop integrated position and qualification standards to suit the unique requirements of the CIA. These efforts were based on the structure of the Civil Service job classes and codes because of the DCI's 1949 commitment to follow the basic philosophy and principles of the Classification Act. (See source 24.)

25X1A *** [REDACTED] the AD/Pers from 1 August 1952 was eased out of the post in January 1954.

As an aftermath of the crisis, 70/ the Inspector General issued, with the approval of the DCI, the February 1955 proclamation entitled "Ten Ways of Improving Personnel Administration in the CIA."

They were:

Point 1:

Make "Service" the slogan of the Personnel Office, and see that every individual in that office understands and acts accordingly. The Personnel Office should be advised that its mission is to do what CIA wants done in the Personnel field even though it does not coincide with Civil Service practices. 71/

Point 2:

Get fresh blood into the Personnel Office in the form of experienced and respected officers from other parts of the Agency, particularly DD/P. To do this give DD/S and D/Personnel the right to select ten GS-13 to GS-15's from other offices and place them in key Office of Personnel positions elsewhere in the Agency where they will obtain broadening experience.

Point 3:

Require all supervisors to take a short (12-20 hour) course in personnel management. This could easily be developed by the Office of Training in collaboration with the Office of Personnel and would give practical instruction on such subjects as: where to find and how to use the regulations on personnel; how to deal with requests for promotion; how to make out fitness reports; steps to take with mediocre or incompetent employees; the importance of keeping employees always advised of the caliber of their work; how often to have staff meetings and what to say at them; how to cope with employees' personal problems.

Point 4:

Place overseas returnees in positions before they return. This is not solely a problem for the Office of Personnel, but is one that can be solved by Personnel, DD/S and DD/P. It has been one of our sorest spots in personnel management, but one to my mind susceptible to easy solution by good administration and strong central control of personnel by DD/P. I would set a deadline of 30 June 1955 by which time every returnee will have a job waiting.

Point 5:

Eliminate placement by file shopping. If an employee is misplaced, he or she should be relocated by a system of interviews, and a placement officer should handcarry the file to interested supervisors.

Point 6:

Strengthen the procedures governing the handling of contract personnel by requiring that Personnel, General Counsel, and the area division participate in all hiring and firing (or contract lapse) actions. This will eliminate many misunderstandings currently arising because contract agents have not been properly informed about their agreement with the Agency.

Point 7:

Place ironclad rules governing the use of personnel files. These should be available to only a limited number of senior officials in the Agency, and allowed out of the Personnel Office for only a limited time (48 hours). Further, the Personnel Office should devote a major effort to developing one master personnel file on each employee in which all pertinent information is placed. At present any employee who wishes to tamper with his personnel folder can do so with ease.

Point 8:

Place a woman in a senior position (even possibly as high as a second Deputy Assistant Director) in the Personnel Office and charge her with aggressively furthering the careers of women in the Agency. This woman should not only see that women are considered for top-level positions, where there is no requirement that the position be held by a man, but should also insure that women returning from overseas are properly placed.*

Point 9:

Strengthen the Employee Services Division and reverse its emphasis from being available to assist employees to "selling" employees on the Agency and what it can do for them. This should be done, not by paperwork but by direct contact with supervisors and employee groups at staff meetings, training courses, etc. Our employee services are not mediocre, but are made to appear mediocre by poor public relations.

Point 10:

Imbue in all employees in the Personnel

* A Panel on Career Service for Women was set up in August 1953 to look into the status of women in the Agency. The "Petticoat Panel" as it was called studied the types of positions and the career opportunities for women in the Agency. At the time there were some 4,700 women working for CIA, seven of whom were at grade 14, the highest grade held by women at that time. Following the passage of the Civil Rights Act of 1964, Executive Order 11246 of 24 September 1965, which superseded other orders going back to 1955, added women to the groups for which Equal Employment Opportunity was to be offered. The Agency was required to report regularly to the Civil Service Commission on the status of women and of minority groups. The Office of Personnel prepared these reports and in some cases made recommendations, but the Director of Personnel was not in the chain of equal employment opportunity officers presumably because of his identity with management.

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Office and all supervisors that people are
our most valuable asset -- the good ones
should be encouraged and assisted, the poor
ones eliminated. But regardless of whether
good or poor, they should be handled as human
beings not as files, numbers or inanimate
objects. I believe that the attitude, typi-
fied by referring to personnel as "surplus"
like war, goods or wheat, has been at the
root of some of our mismanagement.

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Accomplishments. Despite the set-back represented by the 1954-55 crisis, and the sour note at the end of his regime, Meloon accomplished some very solid and necessary advances in basic personnel administration.* The Personnel Office was reorganized along functional lines, with all elements physically relocated together in a central spot -- at that time Curie Hall -- where it could function as a central personnel agency for the large organization that the Agency had become and with the increased professionalism required by that fact. An integrated Personnel Utilization Division (PUD) was established, which -- although redivided into Overt and Covert Branches -- held the promise of expanding the placement activity from one primarily concerned with initial assignment of new personnel to a comprehensive and integrated in-service placement program. PUD was backed up by a central qualifications register, which made ready retrieval of employee and applicant skills and knowledge possible across the Agency.** Consolidation and

* Perhaps Meloon's greatest accomplishment was surviving for four years under the dual AD/Pers, D/Pers arrangement since he had none of the authority and most of the responsibility of being the top personnel official. For example, a list of outstanding suspense items sent by the A/DDA to the AD/Pers in January 1954 was answered by Personnel Director Meloon. The list contained twenty items on which AD/Pers



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** Minus, of course, the Clandestine Services, which did not permit the recording of duties in the Register until 1970.

streamlining of the transaction and records activities enabled the Personnel Office to handle the paper avalanche that accompanied the buildup. The centralized system for compiling and maintaining a variety of personnel statistical data made it possible for Agency officials at all levels to know in a rapidly changing personnel situation what was happening with respect to strength, accession and separation rates, in-service changes, grade structure, and factors causing separations and declinations. Individual personnel files in the central office were improved and the official personnel file was made a more complete and meaningful reference. The variety and quality of employee services were increased. A central processing service was instituted in 1952 for overseas travelers. Comprehensive insurance programs including life, health and accident, hospitalization, and air travel were implemented, and overseas benefits were brought in line with those granted to Foreign Service personnel. The classification effort was strengthened and, beleaguered though it was, greatly increased the availability of position information to placement and recruiting officers -- and to top management when it came time to cutback. An integrated positions standards program, one that included both position and qualification standards, was begun; and standards were developed for most of the clerical and several of the professional categories. The central review of the contract personnel function was assumed in an effort to bring a higher degree of standardization and also to establish

better understanding between contract employees and the Agency as to the terms of their employment and to recommend appropriate allowances and differentials.*

The Personnel Office was able to furnish competent personnel officers to the various task forces of the CIA Career Service Committees and Boards and Secretariats and to the component Career Service Boards. Staff studies and a variety of reports were prepared in support of the CIA Career Board and the Career Council. The work of developing Agency Regulations, Handbooks, and Notices -- as well as internal Office of Personnel Memoranda (OPM's) -- was advanced in a systematic way.

In summary, it could be said that from a technical standpoint at least, the Personnel Office came of age under Meloon and took the form it was to hold for a decade. Order was brought out of administrative chaos, and the basic functions of recruitment, placement, classification, records and reports, and employee services were organized and made effective. An enlarged Personnel Office was staffed with people who, in the main, brought needed specialized expertise to the

* [REDACTED] transferred the Special Contract Unit, Administrative Staff (Special), to the Personnel Office, where it became the Special Contracting, Allowances, and Processing Staff. The Administration of Contract Personnel, 1947-67, Support Services Historical Series, OP-6, by [REDACTED] 25X1A gives a full account of this important phase of personnel administration in CIA.

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Agency's problem.*

Unfortunately, as far as top management was concerned, the Assistant Director of Personnel and the office he nominally headed exercised little or no initiative in the development and establishment of the Career Program. 72/ As a result the central Personnel Office reached a low point in reputation and prestige in the 1954-55 period. It was a curious outcome, considering the solid accomplishments in professionalizing basic personnel administration and in serving as the workhorse for the Career Service Committee, the Career Boards, and the Career Council. Some of the difficulty was undoubtedly caused by the uncertain role of the Assistant Director of Personnel** in the general scheme of things and by the unfortunate choices for that post. The narrow and sometimes naive approach that the personnel specialists took to their jobs also played a part in contributing to the "image" difficulties.***

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** Harrison Reynolds, AD/Pers from January 1954 until the post was abolished in February 1955, and who remained as Director of Personnel under the DDS until January 1957, was a gentlemanly and somewhat patrician figure who had the respect and, indeed, affection of everybody who came in contact with him. Plunged into the jurisdictional and bureaucratic wars at Headquarters from the entirely different atmosphere of the [REDACTED] his retirement for reasons of ill health and his death shortly thereafter was a tragedy felt personally by everybody in the Office of Personnel.

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*** An example would be the action in turning down requests for upgrading of complicated covert jobs on the basis of comparisons to "similar jobs in other agencies." Promotion actions that had been the occasion of lengthy discussions between operating officials were sometimes returned because of "lack of qualifications."

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Organization and Staffing, 1951-54

The principal reorganization of the Personnel Office, second only to the greatly expanded 1951 T/O described earlier in the chapter, took place in 1953. At that time the emphasis had shifted from the recruiting to the placement and classification functions. The Personnel Division, Overt (PDO), and the Personnel Division, Covert (PDC), were combined to form a new Personnel and Utilization Division (PUD), a move that brought all personnel placement under one jurisdiction, although under the new structure there were overt and covert branches. The classification function, hard pressed to bring T/O's within ceiling and to assist in consolidating the DDP T/O, was given additional people; and a standards branch was added. For a few months late in 1953 a dual-deputy arrangement was tried with a Deputy Personnel Director, General, to run the Office and a Deputy Personnel Director, Special, to look out for the interests of the DDP; these posts were dropped in January 1954 in favor of an Executive Officer job in the Personnel front office. 73/ Although subsequent reorganizations resulted in minor changes and some reassessments of peripheral functions -- the counseling function, for example, was shuttled back and forth between placement and benefits and services -- the general structure of the Personnel Office remained substantially the

same until the end of the decade. (See Figure 3.*)

In January 1954 the Personnel Office was moved from its position under the Deputy Director for Administration (DDA), where it had been lodged along with the Office of Security, the Comptroller's staff, and other offices concerned with management matters, to the Office of the DCI, where it assumed a position similar to that of the Office of Training. 74/ General Cabell,** the DDCI, hoped to give more personal attention than heretofore to problems of personnel management and felt that the move would make such direct communication and supervision easier.*** The relocation of the Personnel Office lasted about one year; it was then decided that the Personnel Office's former location under the direction of the DDA -- in whose Directorate other offices dealing with management matters were concentrated -- was the wiser operating

* In 1958 the placement and recruitment functions were combined in one division, the Personnel Operations Division (POD). The Clandestine Services Personnel Division was also established in 1958.

** Lieutenant General (later General) Charles Pearre Cabell, USAF, was Deputy Director of Central Intelligence from 23 April 1953 to 31 January 1962.

*** The shift of the Personnel Office to the Office of the DCI coincided with the appointment of Harrison Reynolds, formerly Chief of the [REDACTED] as Assistant Director for Personnel, replacing George Meloon, who had been acting in that capacity. Meloon then became Deputy Assistant Director for Personnel. (The two positions were renamed Personnel Director and Deputy Personnel Director in June 1955.) The Executive Officer position was established in the Personnel Office in January 1954. [REDACTED] who had been Executive Officer of the Personnel Procurement Division, was the first incumbent of the position.

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Prepared in July 1954
for Clark Committee

OFFICE OF PERSONNEL

ASSISTANT DIRECTOR
FOR PERSONNEL
(Harrison G. Reynolds)
(George E. Meloon)
Authorized T/O:7

25X1A

SPECIAL CONTRACTING,
ALLOWANCES AND
PROCESSING STAFF

PLANNING AND
ANALYSIS STAFF

CAREER SERVICE
STAFF

25X1A

PLACEMENT AND
UTILIZATION DIV.

EMPLOYEE
SERVICES DIVISION

PROCESSING AND
RECORDS DIVISION

MILITARY
PERSONNEL DIV.

CLASSIFICATION
AND WAGE DIV.

PERSONNEL
PROCUREMENT DIV.

SECRET

plan. The regulation that authorized the return of the Personnel Office to the DDA on 3 February 1955 also changed the title of the DDA to the Deputy Director for Support (DDS) and placed the Office of Training and the Office of Communications under the purview of the DDS. 75/ The new arrangement placed responsibility for the relationships between the two closely allied offices with the DDS,* where it has remained ever since.**

* Colonel Lawrence K. White, USA (ret), remained the key administrative official in the Agency from 1952 to the present (1971) and through the regimes of five DCI's. (General Walter Bedell Smith, 7 October 1950 to 9 February 1953; Allen Dulles, 26 February 1953 to 29 November 1961; John McCone, 29 November 1961 to 28 April 1965; Vice Admiral William Raborn, Jr., USN (ret), 28 April 1965 to 30 June 1966; Richard Helms, 20 June 1966 to present.) Colonel White, a native of Tennessee and a graduate of the US Military Academy (1933), had commanded an infantry regiment in combat in the Southwest Pacific in World War II. Wounded in action in Luzon in April 1945, he spent two years in military hospitals and was retired for combat disability on 31 March 1947. Recruited by General Siebert, who was one of General Vandenberg's aides when the latter was DCI, Colonel White was first Deputy Chief, and later chief, of the

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[redacted] where his task was to weed out un-clearable linguists and mediocre engineers. On 13 December 1950 he was made Deputy Assistant Director of Operations. He was appointed Assistant Director for Administration on 1 January 1952 by General Smith, who saw him as the "strong man" who could accomplish the General's wishes to establish central administrative services and controls. Colonel White has borne most of the resulting heat ever since. He served as Deputy Director for Administration (Acting) from 1 July 1953 to 20 May 1954; as Deputy Director for Administration (DDA) from 21 May 1954 to 3 February 1955; as Deputy Director for Support (DDS) from 3 February 1955 to 5 July 1965; and as Executive Director-Comptroller of the Agency from July 1965 to 10 January 1972, when he was relieved, preliminary to his retirement, scheduled for February 1972.

** When the move back to the Support Directorate was accomplished, Colonel White authorized a Special Support Assistant for Personnel (SSA/D/P) to act as a link between the Office of Personnel and the DDP on personnel matters. [REDACTED] who had been associated with personnel matters since 1947, first in recruitment and then as Chief of Placement Branch of the PDC, was the first incumbent of the SSA/Pers position in which he served from February 1955 to August 1956. [REDACTED] later served 25) as Chief of the Personnel Procurement Division from October 1958 to May 1959 and as Chief of the Personnel Operations Division, OP, from May 1959 to July 1962.

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The 1955-56 Holding Period

The Meloon resignation was followed by a holding period during which basic personnel administration -- or at least the central Personnel Office -- marked time awaiting new leadership, which was to come from the DDP side of the house. The title of the top personnel job was changed to Director of Personnel in March 1955 and placed under the jurisdiction of the newly created post of Deputy Director for Support.* The post of Deputy Assistant Director of Personnel was abolished. A new job, that of Deputy Director of Personnel, was filled after a six-month interval by [REDACTED] who had been 25X1A comptroller at [REDACTED] immediately before the appointment. Continuity in daily personnel operations -- and Personnel had become big business as shown in the 1951-56 Budget Summary (Table 1) -- was 25X1A furnished by [REDACTED], Executive Officer from January 1954 to

* See source 75 for Colonel White's account of how this came about. Harrison Reynolds, the AD/Pers, remained as Director of Personnel until January 1957.

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February 1957, who served before, during, and after the upheaval. 76/

25X1A [REDACTED] was assisted throughout by [REDACTED] The choice of a 25X1A finance officer for the top personnel career job, although it was clear to top management, 77/ was somewhat less clear down the line in the Office of Personnel. Morale, already low as a result of the Meloon resignation, was further lowered by the failure of a well-intentioned but ill-advised attempt by the Director of Personnel to promote senior personnel officers in the central office by one grade. This non-event occurred between the time of Meloon's departure in 25X1A March 1955 and [REDACTED] arrival in August of the same year, at a time when the Personnel Office had just been returned to the jurisdiction of the DDS. 78/

The changes and the criticisms brought no reduction in the heavy workload. After a period of stabilization in 1953 and 1954, Agency strength began to climb again. There were [REDACTED] on duty in December 25X9 1954, [REDACTED] in December 1955, and [REDACTED] in December 1956. Separation rates continued to hover above the ten-percent-per-annum figure so that it was necessary to recruit between [REDACTED] people a year to reach these strength figures. The discrepancy between T/O positions and ceiling continued to plague central personnel administration, with T/O positions [REDACTED] for the Agency as a whole. Staff support to the Career Council reached a peak in 1956, 25X1A 25X9 25X1A

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as described in the previous chapter.* The new administration in the front office saw the Personnel task in 1955-56 as one of assisting in the installation of the new career management system in the Agency, of helping to redirect the Office of Personnel in support of that system, and of reorganizing the support of OP to the Career Council. As a result, internal procedural changes were instituted that greatly reduced the discretion allowed division and staff chiefs by Meloon. 79/

At this same time, the Congress and the Bureau of the Budget were making noises about Personnel ratios in the Federal government and advancing the thesis that there should be no more than one Personnel

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The Office of Personnel could be compared to the Army of the Potomac after the bloody nose at Fredericksburg, in that it was "always willing but never again eager."

By a kind of reverse psychology, others were doing some very good staff and special study work during this period of disfavor. 81/ The patient and professional job done in introducing a competitive-promotion policy procedure, first in the Clandestine Services and then Agency-wide,

25X1A led to the issuance of Regulation [REDACTED] in 1956. 82/ A Biographic Profile System was developed to make Personnel information available to

* Chapter II, pp. 86-88, 122-126.

the Career Boards and Panels without circulating the official Personnel files throughout the Agency. Negotiations were successfully completed with the Department of Defense covering approximately 2,000 employee reservists, and these agreements have governed military reserve policies ever since.* 83/ Strong and successful efforts were made to have the fitness report serve the needs of the career management system rather than the purposes of psychological research. A comprehensive personnel lecture series -- the so-called Curie College -- was instituted; it covered 37 aspects of personnel administration. 84/

Surprisingly enough, some of the most innovative proposals were in the job classification area, the very area that had been largely responsible for the difficulties encountered by Personnel in previous years. The formulation of a revised Agency salary administration policy was begun, one that would be proposed to replace the stated policy of "adhering to the Classification Act." A proposal to abolish the Table of Organization method, as such, in favor of a manning table that would have authorized a specified number of positions at each grade level was

* The unit history of the Mobilization and Military Personnel Division, (MMPD) (Support Services Historical Paper OP-5, September 1971), contains a detailed account of Agency relationships with the Department of Defense and the military departments on military personnel matters and with the Selective Service System -- an important and unusual aspect of Agency personnel administration and one marked by close and continuous co-operation despite an occasional argument or two.

presented to and rejected by the Career Council. A factor-comparison point-rating system for evaluation of supergrade positions was developed. The Agency occupational handbook of positions, which defined and codified all positions according to basic occupational characteristics, was published. A position-numbering system to permit automatic slotting of Personnel occupying the same position on revised T/O's was accomplished to facilitate computation of the Career Service Staffing Authorization.* The CSSA itself was an ingenious attempt to bridge the gap between management based on organization and personnel management based on Career Service. Surveys that resulted in standardizing the dissemination of Tables of Organization on a quarterly basis were initiated. A test application of the staffing complement/flexible T/O system was made in the Office of Communications. A means was devised to provide for Personal Rank Assignments under controlled conditions in support of the competitive promotion policy. At this point, many of these activities were in the formative stage; they were to blossom into public view

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during Gordon Stewart's regime, when the classification and wage function that caused the downfall of the Personnel Office was also to be the one that more than any other single component restored the Office to favor.

It was in 1956 that another of the various suggestions to unite the Office of Personnel and the Office of Training was made, this time by the Inspector General. The survey involved the Junior Officer Training Program, and the IG's idea was to end the bickering and divided responsibility for the JOT's by uniting the two offices. The Deputy Director for Support* thought that the JOT Program was just one small facet of the activity of OTR and OP. The IG suggestion did not make much sense to him, so nothing ever came of it. 85/

The most significant organizational event was noted earlier -- the 1955 return of the Personnel Office to the DDS, where it has since remained. In 1955 the post of Deputy Director of Personnel for Planning and Development (DD/Pers/P&D) was added in recognition of [REDACTED] 25X1A [REDACTED] work on the Career Program. All of the personnel staffs -- at this time there were four: Plans, Mobilization, Selection, and Development -- were placed under him. In an attempt to improve its image, the Classification and Wage Division was retitled the Position Evaluation Division. The former Employee Services Division was divided

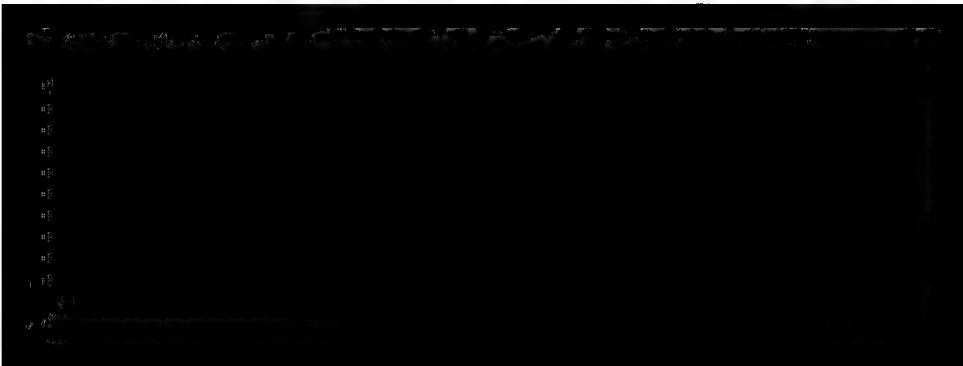
* Colonel White.

into a Records and Services Division and an Insurance and Casualty Division (later Benefits and Casualty Division) in recognition of the growing role of the latter.*

A listing follows of the major segments and their leaders as shown in the Annual Report of Progress and Program Plans, FY 1956.

Director of Personnel - Harrison G. Reynolds

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* The special role of the CIA as a sub-society concerned with its people from "application" to tomb is well illustrated in the work of this group. Their story will be told in a subsequent chapter. Suffice it to say at this point that in 1956 there were 34 serious injuries or illnesses, 22 deaths, and 3 missing in action cases, each of which required immediate and proper administrative action to protect the interests of the Agency, and -- more important -- the interests of the individuals.

Rebuilding Lost Confidence: The Stewart Regime, January 1957 to June 1960

Gordon Stewart,* the senior DDP Official who was appointed to the post of Director of Personnel in January 1957 following the retirement of Harrison Reynolds, was no stranger to personnel administration. 86/ While on duty at Headquarters he had served as Chairman of the FI Career Board and on Task Forces named by the Career Council to study various aspects of career management, including the task force on Fitness Reporting. Prior to that, in 1953, his had been the task of

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Immediately on taking office the new Director of Personnel was presented by the DDCI, General Cabell, with a paper entitled, appropriately, "The Role of the Director of Personnel." Developed by the Inspector General as a result of his studies and dissatisfactions with personnel administration,** the paper represented a comprehensive statement of the

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** In the 7 May 1971 interview for the OP Oral History Project, Stewart gave the title of "Kirk's Quirk" to the preoccupation of the Inspector General, Lyman Kirkpatrick, with the deficiencies of the Career Program and the Personnel Office.

ills and problems to which the new Director of Personnel fell heir. He was asked to make a report on the paper to the DDCI by 1 May 1957. 87/ The two central issues to be settled in this exchange were the division of responsibility for personnel management among operating officials, the Career Services, and the Director of Personnel and the issue of centralization of personnel administration as against decentralization.

In his response the Director of Personnel opted for a policy of decentralization of personnel management to the Career Services in these words -- "Since I have the impression that the Agency is drifting in the personnel field (ever higher grades, more people, mal-distribution of age groups), I strongly recommend that each Career Service be made to face up to its own peculiar problems and with the help of the Office of Personnel do what it can to solve them." 88/ Stewart thought that decentralization would fix responsibility where it could be most effectively exercised, guarantee to the individual that his career was in the hands of informed and responsible officials, provide a framework for sound planning with regard to pay scales and recruitment, reduce duplication of effort, and finally make more effective Agency efforts to evaluate personnel, advance the able, and weed out the ineffective. These were formidable objectives, but at least the approval of a policy of decentralization settled one longstanding argument and formalized a trend that had begun with the establishment of the Career Program. Other recommendations, less general in nature, reaffirmed the responsibility of the

Director of Personnel in furnishing services of common concern, such as recruitment and salary administration, and placed him in a supporting role to the Career Services in other aspects of personnel management.

In a review of personnel management about a year later at the fifth meeting of the Career Council,* on 15 May 1958, Stewart reported on the progress, or lack of it, on the major problems that had been presented to him in the "Role" paper 89:

Structure of Personnel Management: The assignment of important responsibilities to the Career Services has made it possible to develop Agency personnel programs in a less diffuse and less ambiguous way than before.

Policy Making: Effectiveness of the policy making process at the Career Service and the Agency level was reflected in that the Career Services were developing their own policies within the framework of Agency policies on career planning, competitive promotion and selection out.

Hiring: The policy, procedures and responsibilities for recruitment of personnel were to be based on anticipated requirements rather than vacancies as developed by the Career Services and approved by the Director of Personnel [REDACTED] **

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* At this meeting the alternate for the DDP [REDACTED] moved "that we give the Director of Personnel a vote of confidence on this paper, and not call DeGaulle in until next year." 90/

** This was an early forerunner of the Advance Staffing Plan developed eight years later in 1966. Early efforts based on career services manpower planning fell short largely because budget and program planning were done on an organizational basis. It was not until personnel planning was integrated with the budget cycle and prepared by components that personnel planning based on anticipated requirements became possible. The same dichotomy spelled the doom of the career service ceiling as a means of manpower control, although it was successful in setting the outer limits on promotion possibilities.

Assignment and Reassignment: Moderate progress was reported as illustrated by the issuance of [REDACTED]

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[REDACTED]

were expected to alleviate many of the problems pertaining to the assignment of personnel returning from overseas. The DDP panels were issued instructions designed to bring them more effectively into the management of Clandestine Services personnel and the practice had been established whereby unsatisfactory clerks could be returned to the personnel pool. The suggestion (of the IG) that a career service be allowed to return professional employees at the conclusion of three months service was under study as a corollary to the policy that the Director of Personnel should assign all new employees except Junior Officer Trainees.

Little or no progress was reported with the efforts to control file shopping and the Special Placement Committee named to facilitate inter-office and inter-directorate transfer was judged to have achieved little or nothing, mainly due to the poor quality of the people proposed on reassignment by the components. No progress was reported in the area of Control. The extent of the Director of Personnel's control of Agency personnel programs remained essentially unchanged and was considered to be neither very satisfactory nor very unsatisfactory.

Wage Classification: With the introduction of the flexible Table of Organization, procedures were to be based on career service staffing authorizations rather than on the existence of an aggregate number of approved positions filled by a given career service. 91/

Management Development: It was hoped that a listing of individuals who may be considered for the Agency's management Development Program would be completed shortly.

Included in the Brief was a statement of intention by the Director of Personnel that was to lead to the most heated of all the controversies

involving personnel administration in the Agency. His words were:

During the coming year I propose to make every effort to identify those individuals in the Agency whose continuance in their present career service over an extended period of time is against Agency interests. It will then be necessary to take steps to move them to other career services or to assist them in finding employment outside the Agency.

In addition to dealing with the surplus personnel program, Stewart set some personal goals of his own by the end of his first year in office. These included putting the career services on a self-administering basis, encouraging them to develop personnel policies and procedures within a minimum framework of Agency policies, reorienting the early retirement proposals in terms of needs of the service, revising and simplifying Agency personnel regulations, and going forward with the ideas and concepts on manpower management and compensation that were coming up from below in the central Office of Personnel. 92/

The surplus personnel problem overshadowed all others on the list. Not only had the Director of Central Intelligence, Allen Dulles, given this problem top priority, 93/ but also Stewart was intellectually convinced from his experiences in both Headquarters and overseas that the Clandestine Services, at least, were seriously overstaffed. 94/

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many and the wrong kind of people.* Many were not suited to do the work of the Clandestine Services. The upper grades were congested with people hastily hired for urgent requirements that no longer existed, and they were blocking the progress of younger and more versatile officers as well as choking off the intake of young professionals required to maintain a healthy and viable organizational life. The predictable hardening of the bureaucratic arteries had set in, and something had to be done.

As a prelude to action, and to pin down the exact size and nature of the problem, the Office of Personnel undertook studies to determine the professional manpower outlook and to substantiate the needs of the Agency. A 1959 statistical study of the Clandestine Services Career Service made these points:

The CSCS will not be able to maintain its present level of operational activity unless steps are taken to provide for the recruitment into it annually of a substantial number of young officers and for their advancement at a reasonable pace. To be able to recruit these young officers, the service must

* As early as 1953 supervisors and personnel officials had found that termination problems were no longer hypothetical. In August of 1953 the Acting Personnel Director requested the General Counsel for an opinion as to the applicability of the Director's plenary power to terminate for administrative reasons. A 7 May 1956 memorandum from the DDS to the DDCI recommended that each proposed termination for administrative reasons be treated as a line (as opposed to a Board) action under [redacted] to foreclose appeal to the Civil Service Commission up to the point where it becomes necessary to invoke the Director's special authority to terminate in the best interest of the United States.

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separate an equal number annually. To be able to promote them, a means must be found to effect such separations among personnel occupying medium and higher grades. Attrition does not at present accomplish this nor will it in the future. In addition to this basic and long range problem, the Clandestine Services are confronted with problems rising from the distribution of male officers by age and grade. Forecast based on present recruitment rates, effect of ceiling, the distribution of male officers in grade GS-09 and above (not including TSS personnel), present attrition rates, the effect of the operation of the Civil Service retirement program shows that the Clandestine Service will be staffed by a predominantly old group of employees by 1974. 95/

Although the other Directorates did not show as sharp a need, mostly because of a greater attrition rate in the higher grades and a more diffuse age and grade distribution, the studies showed that several of their numerous services could stand some pruning.

In planning what to do about the situation, there was one point of agreement. Nobody, inside of Personnel or outside, wanted to follow Civil Service reduction-in-force procedures, which seemed to be peculiarly designed to retain the very people that the Agency needed to separate and to separate the very people that the Agency wanted to retain. Early retirement offered one possibility. Under the spur of the surplus problem, legislative proposals were reviewed and a statistical manpower approach, based on the needs of the Agency rather than the needs of the individual, succeeded in getting the CIA retirement legislation on a new and eventually successful track. 96/

As a guide to the development of a formula for qualifying service, data were accumulated on the amount of overseas service and the total Federal Service of people serving overseas. Separation data were studied to establish a reasonable expectation of what might be expected from natural attrition. A contract was let for actuarial studies to obtain cost projections that could be used in making estimates to the Congress.* Government experts in the White House advised against the Foreign Service "up or out" concept -- that is, forcing people out after failure to be promoted in a given number of years -- as not suited to the Agency's problem of immediate action on surplus. 97/ They discouraged early retirement proposals based on age alone. The Agency then sought to develop a CIA solution for a CIA problem, drawing on the experiences of others as they seemed to apply.**

Controlled Staffing. On 6 November 1959 the Director of Personnel presented to the DCI a paper entitled "A Manpower Control Program for the Clandestine Services Career Service." 98/ Attached

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** The subject is treated more fully in OP's history of the Reluctant Retirees, 1957-67, OP-2, by [redacted] January 1971.

were statistical studies* showing age-grade distribution, current and projected to 1974, and a proposed optimum to be achieved by forced attrition of middle and senior officers to permit the annual entry of 25X1A 145 Junior Officers. [REDACTED]

25X1A [REDACTED]

25X1A [REDACTED]

25X1A [REDACTED] The program was presented both as a means of effecting manpower controls in the interest of long-range planning and as a means of accomplishing an immediate reduction in staff. It was suggested as being applicable to DDI and DDS groups as well as to the CS.** The legal authority to separate surplus people was stated -- after careful check with the Justice Department, the Civil Service Commission, and the White House Personnel Advisor -- to be contained in Section 102(c) of the National Security Act of 1947, as amended.

The original proposal for what later became known as the 701 exercise described a two-part project: a one-shot action to reduce surplus, and an annual forced attrition to correct the age

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* [REDACTED] as Chief of the Plans Staff and as Chief of the Personnel Assignment Division (PAD), was the principal personnel staff officer for these studies.

** The DDI, Robert Amory, resisted the 701 Program throughout. He felt that there was no need for it in his Directorate and that by violating the concept of tenure, it would seriously impair their recruiting possibilities in the academic world. The DDS, Colonel White, supported the program and used it in some areas in the Support Directorate; but 701 was primarily a Clandestine Services exercise. 99/

and grade mal-distribution and pare down the hump (see Figure 4).

Both purposes could be served, it was assumed, by a procedure de-

25X1A cribed in [REDACTED] -- establishing retention registers that were rank-order listings determining the order of precedence for retention in terms of a given career service, panel or, in the case of non-career service personnel, organization unit. Factors to be considered in ranking were position performance, qualifications, and potential or future usefulness. After review of the retention registers by a committee of three senior officials appointed by the DCI, listings were to be passed up through successive layers of command to the Head of the Career Service or the operating official. 100/ The Director of Personnel would then review the registers, making every effort to protect the interests of the individual and to retain in Agency employment those who qualified for positions in components other than the one nominating him for separation. As the final step, the Director of Personnel would then recommend to the Director of Central Intelligence the separation of those individuals who were deemed to be surplus to the Agency as being advisable in the interests of the United States.

Contrary to the procedures followed by the commissioned services of the Federal Government -- the military services and the foreign service -- the identification of the individual to be separated and the authorization of benefits were not tied together. Separation pay was limited to those who were 30 years or more of age and who for

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a period of five years or more preceding separation "were assigned to duties in the intelligence, operations, or communications structure of the organization requiring the acquisition or application of skills for which requirements in other Government or commercial fields of employment are either rare or non-existent and which effectively prevented them from studying, practicing, or otherwise developing or retaining proficiency in an established occupation or profession." 101/*

The 701 Program was officially adopted with the issuance of

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10 February 1961, some nine months after Stewart left office.** The long-range manpower planning and control aspect of the original proposal, the so-called controlled staffing concept, was lacking in 701, although by separate action there was an increase in the intake of young

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[REDACTED]

officers, which -- if anything -- added to the congestion. 103/ The main emphasis was on a "one-shot" separation of surplus people, and it was to this task that the attention of both operating officials in the CS and the Director of Personnel and his staff was turned in the ensuing year, with results that will be described in a subsequent chapter.

System and Methods. On the technical side, innovative procedures were introduced during Stewart's regime in the areas of position management and ceiling control, compensation plans, and improved management of the unwieldy Table of Organization system. Several of these concepts had been developed as early as 1955, but it was Stewart who recognized the need for them and went forward with them. 104/ The publication of [REDACTED] "Ceiling and Position Authorization," [REDACTED] "Average Grade Controls," on 26 February 1959 were important steps representing unique CIA approaches to the problem of centralized control and decentralized execution. The staffing complement separated the current work force requirement from the temporarily non-productive group in training, on detail, or on extended leave, who were carried on a development complement -- thus achieving a more accurate personnel accounting picture. Methods were devised for identifying positions in terms of the career service which was responsible for staffing them, and the planning of personnel and career management was thereby facilitated.

By identifying positions either as "fixed" -- a position to be filled only by one incumbent such as a division chief or by a set number of incumbents such as the branch chiefs -- or as "flexible" -- positions to be filled by an open number -- operating officials could make assignments to meet workload requirements without going through the bureaucratic process of adding or transferring T/O positions. By imposing average grade controls -- requiring the component to lower a grade to raise a grade -- it was possible to manage wage and salary administration on an overview basis without review of individual transactions.

Some of the ideas proved impractical. The allocation of ceilings by career service, as originally proposed in [REDACTED] did 25X1A not work. Ceilings continued to be allocated on an organization basis, but out of the so-called Career Service Staffing Authorization (CSSA)*

* The Career Service Staffing Authorization was part of the [REDACTED] 25X1A Position and Ceiling Authorization, 14 November 1958, in which an attempt was made to combine personnel and manpower planning at the career service level. The CSSA process was a complicated one and included the career service ceiling, estimated headroom, inventory of assets, with the head of the Career Service expected to estimate the three factors of accessions, separations, and promotions against those items to arrive at a manpower and personnel plan for the upcoming year. The CSSA concept was resisted by career services and had to be withdrawn after a year. From it came the Career Service Grade Authorization (CSGA) produced entirely by the Office of Personnel, limited to cumulative headroom by grade and furnished as a guide to the career services on promotion possibilities. The CSGA is still in use (1972). Position and ceiling authorization have been on an organizational basis ever since the 1958 attempt at a career service ceiling.

came the Career Staffing Grade Authorization (CSGA), which proved effective in setting outer limits for the Boards on the number to be promoted based on the cumulative number of T/O positions designated for the career service by grade. The competitive Promotion Policy was made practicable by the development of the Personal Rank Assignment procedure permitting assignment of higher graded individuals to lower graded positions if that was required by the operation of the competitive promotion system or by the needs of the service. These ingenious and interrelated steps loosened the inherent rigidity of the classification and the T/O systems* without loss of control down the line; 105/ and the control factor was becoming increasingly important as higher authority in the form of the Bureau of the Budget and the Congress asserted greater supervision over the Agency.**

These were clever but rather elaborate procedures, and the question might well be asked, why the basic adherence to the Classification Act grades and procedures and to the cumbersome T/O system?

25X1A * [REDACTED] were the principal staff officers
25X1A developing these changes. [REDACTED] describes the background in source 101.

** The question of where the CIA ties into the US government has been discussed at some length in the press and by many students of public administration. Administratively it is part of the Executive Office of the President, as is the Bureau of the Budget. Starting in the mid-50's the President exercised increasing administrative and budget supervision through the BOB.

Why not make a fresh start? Indeed, more drastic measures were proposed.* A CIA Compensation Plan was placed before the Career Council on 27 March 1958 at a time when the modifications previously mentioned were also being considered. The plan had several striking features that represented new approaches to the fundamental problem of compensation. For example, the nine GS grades from GS-07 to GS-15 were reduced in the plan to five groups, and the salary ranges within the groups were extended up to a maximum of 48 percent of the base grade. The periodic increases based on time in grade were eliminated. Two types of promotion were provided for, one by competitive means through the Career Service and the other by merit increases based on performance.

The plan was extensively researched and discussed with the staff of the House Committee on Post Office and Civil Service and with President Eisenhower's Advisor on Personnel Management.** Although it received an encouraging reception, the plan was eventually shelved for a number of reasons. The external climate in the Civil Service Commission (CSC) and the Bureau of the Budget, (BOB) where grade escalation and the whole business of federal pay were under study, was not conducive to the recommended increase in payroll costs represented

* The Unit History of the Position Management and Compensation Division, 1946-67 contains a thorough account of the research effort put into the modification of the Classification System over a period of five years and of the various proposals for new compensation systems. (Support Services Historical Series OP-9, [redacted])

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** Rocco Siciliano.

in the Agency's plan.* The Agency, although granted many exceptions and special authorities in the field of personnel administration, chose to remain tied to government-wide policies in the very complex matter of pay, and this was probably a wise choice in view of the developments taking place in the government at large.

In the traditional areas of recruitment and placement, the Stewart regime was marked by sharp changes. 106/ The recruitment function lost its favored place and was combined organizationally with placement to form a Personnel Operations Division (POD). 107/ A prime function of the new division was to ensure that surplus people were considered for vacancies before new personnel were recruited.** With the input slowed, Agency strength showed a gradual decline. It was

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25X9 [REDACTED] on 30 June 1960. The annual report of POD for

* The CSC-BOB study led to the Federal Salary Reform Act of 1962 during President Kennedy's term. The act incorporated many of the concepts in the CIA plan, such as wider pay ranges within grades and the so-called quality step increases.

** In October 1959 the DDCI, General Cabell, established the requirement that all recruitments and appointments GS-07 and above and professionals at GS-05 and 6 be approved by the Deputy Director concerned and by the Director of Personnel before security clearance was initiated. The change was necessary due, it was said, "to the decreasing number of openings in the higher grades and the increasing necessity for adjustments within the organization to assign employees at these grades. Under the policy, "accessions," as they were called in the trade, fell

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FY 1960 stated that,

although on duty strength in most areas of the Agency was close to ceiling, POD continued to be active in the areas of referral, selection, processing and eventual entrance on duty of Junior Officer Trainees, economists for ORR, scientists for OSI, engineers and printers for Logistics, analysts for OCR, and engineers and radio operators for the Office of Communications. Nine hundred and seventy one clerks were assigned to the various Directorates. Present statistical studies indicate the need of an in-

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[REDACTED]

In the placement area the outplacement effort was intensified to aid employees in transferring from the CIA to other agencies or to the industrial or academic sectors. Two hundred and seventy-seven cases were handled by this unit in FY 1960, with 74 placements made by either internal or external transfer. A Special Placement Committee was named to facilitate inter-office and inter-directorate transfer, but its efforts were aborted by the poor quality of the candidates proposed by the Directorates. A Management Development Committee was a somewhat more successful effort in this direction, one to which the Personnel Director gave his personal attention. Its mission was to screen likely looking candidates from among the JOT's and other professionals and to select those with high potential for special training and development at the Agency level. Promotions from GS-11 to GS-12 and from GS-13 to GS-14 were closely reviewed in an

attempt to establish Agency standards for entrance into these "threshold grades."

The Agency regulation on overtime pay was revised to include a rule by which professional employees not regularly scheduled for more than a 40-hour workweek were expected to contribute eight hours before requesting overtime compensation. The so-called eight-hour rule was unique to the CIA. Other personnel regulations were reviewed in a drive directed by Stewart to simplify and clarify personnel policies covering the entire spectrum from grievance procedures to awards and benefits. 108/

In December 1959 the Inspector General, still pursuing his special interest in personnel administration and the career service, dropped a bombshell in the form of a report that concluded that the career program was a failure and should be drastically changed. The Career Service Boards and Panels should be reduced to five or possibly six and formed on an occupational basis -- Administration, Clerical, Technician, Specialist, Intelligence, and possibly Communications. The Career Council and the Supergrade Review Board would be replaced by a Career Development Board, which would assume full responsibility for career management of all grade levels. The work of the CIA Selection Board and the examining panels to select people into the Career Staff 25X1A would be assumed by the revised career services. ██████████ "Individual Career Planning," would be rescinded as impracticable.

In a 26 May 1960 memorandum to the DCI, Stewart directly challenged the IG on behalf of the three Deputy Directors and the Career Council.* The IG's recommendations on abolishing the Career Council and the Supergrade Review Board, the changes to the basic Career Service structure, and the proposed Career Development Board were rejected. Those dealing with the abolishing of the Selection Board and of individual career planning were accepted. The concept of having the Career Services assume the selection of candidates into the Career Staff was, of course, in line with Stewart's basic philosophy:**

The recommendations of the Career Council which are herewith submitted for your approval are more conservative than those proposed by the Inspector General. There are several reasons for this. The Deputy Directors and other Council members, while agreeing that the Agency has thus far failed to achieve a fully satisfactory solution to the problem of career development, do not believe that the extent of our failure is as great as that described by the Inspector General. Indeed, it is felt that we can take pride in the improvements that have been made during the past six years. The Deputy Director (Plans) and Deputy Director (Support) felt strongly that Career Service administration should

* The DDS, in addition to participating in the Career Council response, wrote his recommendations to the DCI on 19 May 1960, to which was attached a paper on the Philosophy of Career Service, advocating emphasis on line management doing the job, and a Summary of DDS Office Head Views. This material is described more fully in the footnote on page 108.

** The complete list of recommendations may be found on pp. 83-85.

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follow command lines with only such modifications to this concept as have thus far been introduced and tested. The Deputy Director (Intelligence) while being in substantial agreement with their position would favor some degree of lessening of command jurisdiction in the interest of career development. All three Deputies are against establishing a Career Development Board independent of and at a level higher than the Director of Personnel, and they oppose the concept of occupational Career Services. Finally, while recognizing that it may be possible and advisable to attempt to set apart and treat differently a "hard core" * Career Service at some time in the future, it was agreed that this is not the time for such a move.

The request of the DCI that the Director of Personnel coordinate the response to the Inspector General's report and his own approval of the counter recommendations in October 1960 indicated the respect and stature that Stewart gained for the job and for the Office of Personnel by his thoughtful low-key but self-assured approach. Not the least of his strengths was the recognition and advocacy of ideas and procedures coming up from below and from a group that had been largely discredited -- the personnel "professionals;" the recognition was given, however, only to a few carefully selected individuals in the group. 109

* The IG Report concluded, as stated in the footnote on page 41, "that the jettisoned hard core concept produced three critical problems in personnel management: the magnitude of the program was increased a hundredfold; training requirements were distorted and disorganized; the Board and Panel mechanism devised to implement the program was cumbersome and slow, and usurped much of the authority and responsibility of the Director of Personnel."

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On the debit side, no way was ever found to plug the hole in the personnel management system left by the high degree of decentralization of personnel authority to the numerous services, boards, and panels that Stewart advocated and formalized.*

Organization and Staffing, 1959. The principal organization changes approved in March 1959 included the consolidation of the Personnel Procurement Division and the Personnel Operations Division; the transfer of the Mobilization Staff, which had been set up to do personnel support planning for Clandestine Services (CS) contingency plans, to the Military Personnel Division, which was then renamed the Mobilization and Military Personnel Division; the elimination of the post of Deputy Director of Personnel for Planning and Development** and the merger of the remaining staff positions in the DD/Pers/PD office with the Regulations Staff to create a Plans Staff; and the merger of the Employee Relations Branch (POD) with the Casualty Affairs Branch to form a Benefits and Counseling Branch with a change in the Division title from Benefits and Casualties to Benefits and Services. The T/O showed

25X9

10 [redacted] positions in the Office of the Director of Personnel, nine of which were for the Special Assistant to D/Pers to assist in the selection-out

* See p. 54.

25X1A

** This action was taken with the retirement of [redacted]

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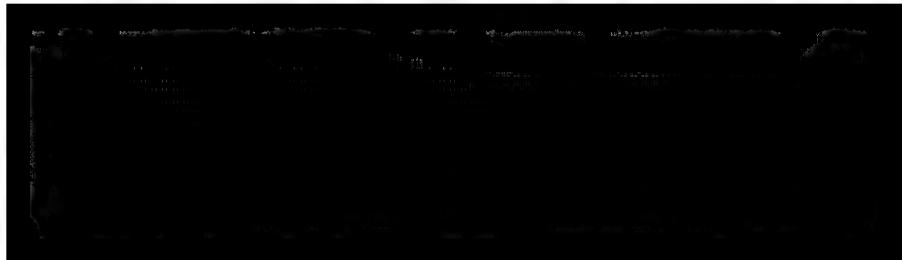
IV. Personnel Administration in the Sixties:The Echols Incumbency, 1960-68The Changed Organizational Environment

The Agency was formed during the early fifties in an environment of rapid growth and expansion.* It was staffed under conditions of urgency on the basis of personnel requirements that were as pressing as they were undefined, often being stated in terms of "what we need is a darned good man." The middle leadership cadre arose by a kind of natural selection combined with the usual factors of individual initiative and the good fortune of being in the right place at the right time.**

Table 2

* STAFF PERSONNEL STRENGTH, MILITARY AND CIVILIAN, 30 JUNE 1948-68

25X9



** The informal organization played an important role with respect to both employment and advancement, and the Agency had more than its share of these informal groupings. Other than the usual old school tie array, the OSS group was probably the most cohesive, followed closely by the military -- the latter stemming from associations formed in the Army and Navy during World War II. The original informal groupings were rapidly fading from the scene in the late 1960's to be succeeded by new groupings of which the graduates of the JOTP and the CT programs were the most clearly identifiable.

The value system was based on trial and error with emphasis placed on action and innovation and direct accomplishment. The public image, if any, was that of a mysterious and intriguing organization. For the imaginative and the ambitious, the Central Intelligence Agency was the most attractive component of the Federal government.

Not so in the decade of the 60's. Growth was stabilized, rules and regulations multiplied, and it was expected that actions would be taken within them.* Day-in-and-day-out performance, although increasingly professional, became an organizational rather than an individual effort with subsequent loss of identity. Competition replaced opportunity as the prime motivator -- at least in the two largest Directorates, the DDP

25X1A * The following excerpt from an article entitled "The Good Old Days, You are on Your Own," by [REDACTED] in Studies in Intelligence, Winter 1971, describes the change. The author was writing about balloons and bureaucracy and a psychological warfare operation of the [REDACTED] 25X1A

In retrospect, it is doubted that under CIA current management philosophy (the 1951 operation) would be feasible today. It is appreciated that since 1951 the US Government has grown and with this growth it has instituted various levels of budgetary reviews of CIA activities. Congress is likewise more interested in CIA operations . . . [REDACTED] operating procedures now require various clearances, approvals, etc., and considerable effort, time, and planning are devoted to the purely bureaucratic aspects of any operation. There is little doubt that such scrutiny tends to inhibit freedom of action. However, whether under these circumstances today's breed of "managers" and "administrators" makes CIA a more effective organization makes for interesting discussion. How many times have you recently been told "Ok, you're on your own."

25X1A

and the DDS -- with waiting lines forming at each grade step in the career ladder.* Leaders were now selected on a planned basis by a jury of seniors who had "made it" under the laissez faire conditions of the past. Territoriality developed along with increased professionalism as the career system divided and subdivided into small baronies, as many as 23 of them, with cross movement extremely difficult. The value system switched to emphasis on loyalty, conformance, coordination, and the ability to get things done in the bureaucratic setting of a new Headquarters building, where for the first time CIA people were not only grouped together but stacked by rank.** CIA's public image was dented by an avalanche of unfavorable publicity,*** and the Agency was no longer the place to be -- in fact, Agency recruiters were harassed and driven from many campuses. [redacted] study entitled Inside

25X1A

* The establishment of a new Directorate of Science and Technology (DD/S&T) and the development of the National Photographic Interpretation Center (NPIC) in the Directorate of Intelligence added a new dimension of scientific, engineering, and technical manpower that represented an exception to these general statements. There was relatively little movement to these units from the older components of the Agency. 110/

** As an illustration of this phenomenon, the term "seventh floor" came into use to describe the top management of the Agency.

*** The increasing discrepancy between public image and "true self" was a real challenge to the people of CIA and a tribute to their motivation as the Agency grew steadily in stature and professional reputation within the government during the middle and late 60's. The question of what makes the "CIA'er" tick is an intriguing one that has never been answered satisfactorily.

Bureaucracy 111/ described quite accurately what was happening to the professional force as the years marched on. The Law of Increasing Conservatism (to use their terminology) stated in part that:

Organizations that experience rapid initial growth followed by relative stability tend to become subject to the age lump phenomena which causes:

A squeeze on the members of the age lump regarding promotions.

Conversion of a high proportion of the organization's members into conservors.

Development of a high proportion of conservors as the organizational climbers leave.

Great difficulty in recruiting and retaining capable young people into the organization until just before the age lump retires.

A crisis of continuity when the age lump retires.

Personnel administration, as much a prisoner of this environment as any other major function, assumed a staff role not too different from that of the other support services; and the Office of Personnel, reduced in numbers during the Stewart regime, became more professional and less controversial. The dramatic issues were there, but rather than being met head on, as they had in the past, were now handled --

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perhaps more adroitly -- by the new Director of Personnel, Emmett Echols,* appointed in June of 1960, 112/ who was to hold the office for eight years.

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Implementing the 701 Program

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Nothing was more illustrative of the changed circumstances of the 60's than the problem of the surplus people and what to do about them. Immediately at hand as the decade opened was the task of implementing the 701 Program, officially adopted with the issuance of Agency Regulation [REDACTED] on 10 February 1961.* Years of planning had gone into the program, most of it soundly conceived even to the point of predicting the shattering effect on morale that it would entail. Unfortunately, the execution was unduly delayed, despite the warning in the original 1959 proposal to "do it as quickly as possible, take your beating and expect that the incident will soon be forgotten." 113/

By the time appeals reached the DCI level it was 1962; and the original Dulles, Cabell, and Bissell hierarchy -- which had approved the program and understood the need for it -- had gone. General Carter,** the new Deputy Director of Central Intelligence, appalled at the discrepancy between actions taken to separate individuals and the files he read in support of these individuals, upheld many of the appeals and issued a "never-again" statement on the program. The intermingling

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* The Regulation was later reissued (15 September 1961) in essentially the same form under the number [REDACTED] but the designation "701" continued in use for the duration of the program and forever after.

** Lieutenant General Marshall Sylvester Carter, USA, Deputy Director of Central Intelligence from 3 April 1962 to 28 April 1965.

of the surplus and marginal concepts led to numerous dissatisfactions. Management was angered at the almost complete failure of the fitness-reporting system to document actions being taken. A credibility gap opened between management and the employees as to the real purpose to be served by the exercise. Despite the long interval between selection and separation, some employees received very short notice of the actions being taken concerning them. A number of those considered for separation had no prior warning that their performance was unsatisfactory. Others who had good records learned with dismay that they lacked potential for further Agency employment. In a few cases, individuals chosen for separation were asked by their Divisions to remain on duty as a convenience to the Agency until a suitable replacement could be found. A 10 January 1964 status report of the Clandestine Service Career Service showed these final results 114/:

Total individuals declared surplus

Remaining

Reassigned
Converted to reserve appointment
Converted to contract employment
Appeals upheld

25X9

Departed

Resigned
Terminated or term pending
Retired (disability)
Retired (optional)

Although the "DDP" surplus exercise was the most dramatic, there were other programs conducted at the time. They included reductions in Administrative Officers, Management Analysts, Training Officers, Records Officers and in the Technical Services Staff, none of which involved the numbers or aroused the emotions of the "DDP" exercise.

The role of the Director of Personnel in implementing the 701 Program was to establish procedures for use by the career services in identifying the so-called surplus personnel; perform the necessary staff functions in reviewing the actions of the Career Services; make the final recommendations to the Director of Central Intelligence; furnish transfer and out-placement services; arrange for the authorization and payment of separation compensation. Two components in the Office of Personnel were particularly involved; namely, the Special Activities Staff* in documenting and supporting the separation actions,

* Support Services Historical Series OP-3, entitled The Special Activities Staff, by [REDACTED] describes the establishment and work of this group, first set up by Gordon Stewart in 1957 to handle performance and conduct cases for the Director of Personnel. [REDACTED] was the first Special Assistant and has served as Chief of the group of three professionals and three clericals that was labeled the Special Activities Staff in 1963. Their work has included providing staff for the Agency Disposition Board, later called the Personnel Evaluation Board. They began to process cases under the Agency's selection out procedures in 1958 and in that year the Applicant Review Panel and the Overseas Candidate Review Panel responsibilities were added. Starting in 1961 the group played a key part in the documenting and processing aspects of the 701 Program. In 1962 they had the job of implementing the program for integrating the "Eyes Only" personnel information and began the function still performed in screening three-year personnel for entry into the career status, originally called the Career Conversion Program.

and the Personnel Operations Division in attempting to place the subjects. Division and Panel personnel officers and, of course, the Chief of the Clandestine Service Personnel Division were on the firing line in the exercise. They assisted in the ranking process, and in many instances theirs was the unhappy task of confronting individuals whose "number" had been called.

Opinion among personnel officers about the 701 Program was as divided as it was in the Agency at large. Gordon Stewart, who had proposed the program originally as Director of Personnel, felt very strongly that it was possible to rank people objectively and held that as Chief of EE Division he had no difficulty in implementing the program. Robert 25X1A [REDACTED] who became Chief of the Clandestine Services Personnel Division late in 1961, one week prior to the notification of some 150 individuals that they were being separated, also upheld the program. 115/ Others felt differently about it. Some personnel officers at the division or panel level felt that, while the original rankings were sound, the additions and deletions which took place as the listings passed up the chain of command were difficult to explain.

The Chief of the Personnel Operations Division, [REDACTED], 25X1A who had the task of trying to place these people before the final step of separation was taken, found the whole program very distressing. 116/ The negative views of the DDCI, General Carter, and the DDI, Robert Amory,

have already been described.* On balance, while permitting of no single conclusion, the 701 Program filled a justified need of the Agency, and it was soundly planned. Its administration left something to be desired, however, particularly the amount of time taken in the decision-making process. As stated previously, the long-range manpower planning and control aspects of the program were never realized, and that was unfortunate in view of the age-grade curve, which went merrily on its skewed way until early retirement began to take effect late in the decade. If nothing else, the 701 Program established beyond all doubt the legal authority of the Agency to administer its surplus personnel problems without adherence to government-wide reduction-in-force procedures.

* Source 116 also contains statements on the 701 exercise by Lawrence K. White, Matthew Baird, Emmett Echols, and [REDACTED] 25X1A

Disappearance of the Career Council and the Career Staff, 1962

On 1 February 1962 the Career Council held its 69th meeting.* The agenda was a crowded one and included subjects such as the Application of Surplus Personnel Procedures [REDACTED] to Retirement Eligibles, The 25X1A Report of the Agency Retirement Board; the Proposed Revised Fitness Report Form 45 and supporting papers; and Agreement for the Movement of Personnel between the Agency and the Civil Service System. Emmett Echols, the Director of Personnel, read a memorandum -- from the DDCI** addressed to the Chairman of the Career Council -- which directed the Council to study and recommend an Agency-wide early retirement system. Nowhere during this busy meeting as reflected in the transcript was any hint given that this was to be the last meeting of the Council and the end of any formal concerted effort to establish an Agency-level career system with a governing body at the DCI level.*** The Director of Personnel did not exactly weep at the demise of the Council -- in fact, he may have hastened it. 117/ Its burdens were subsequently picked up by Echols,

25X1A



** The memo was from General Cabell, who retired on 31 January 1962. His successor, Lieutenant General Carter, USA, was not appointed until 3 April 1962.

*** See p. 55 for IG 1960 recommendation that Council be abolished. Also sources 117 (Echols), 118 (White), and 120 (Baird) contain the views of these officials on the Career Council and their views on its demise.

who turned his attention to revising the career-staff concept unassisted by a Personnel Advisory Board composed of representatives of the various Directorates named to assist him, one which he never used. As a result the PAB never achieved the status of the Council or became a forum for resolving differences between the operating components; and it gradually withered on the vine, holding its last meeting in 1964. 118/ For years nothing filled the policy gap left by the demise of the Career Council until, in the late 1960's, Colonel White, at that point Executive Director-Comptroller of the Agency, began a policy of regularly scheduled meetings with the Deputy Directors at which, among other matters, the Director of Personnel could present personnel management policy questions. 119/ The fact was that as far as the management of people was concerned -- their assignments, their promotion, and their development -- authority had long since become lodged with the career service heads, subject to a very few Agency-wide policies such as competitive promotion. 120/ As far back as 1960 the Office of Personnel had discontinued sending out applications for membership in the Career Staff of the CIA, and that nebulous Agency-level concept had been quietly buried, never to be revived. Echols proceeded to work behind the scenes to accomplish the reforms in personnel management that he saw as necessary, the most important being to rid the Agency of the last vestiges of the elite-staff concept. 121/

Monitoring Role, The July 1962 Echols Memorandum on Deficiencies in the Personnel Program

In a turn-around unique in the history of personnel administration, the Director of Personnel addressed to the Task Force named in 1962 to study the Agency personnel program a strongly worded memorandum 122/ in which he pointed out the deficiencies in that program, starting with top management and its failure to take a stand against allegations of overstaffing, inefficiency, and deadwood made by Congressional and Executive Branch (read White House) critics. Agency management must evidence willingness to lead the fight for a better personnel program in contrast to its past record, said the D/Pers, and the Agency must abandon its attitude of conservatism and timidity. Echols deplored the one-step promotion policy, the absence of any means of employee communication, the cynicism in high places with respect to employee morale-building activities, and the excessive modification -- if not negation -- by individual Directorates of established Agency personnel policies. Directorate autonomy had gone too far, and -- although Echols subscribed to the principle of decentralization to the Directorate level of most of the functions and responsibilities for personnel management, including personnel development -- he felt that more guidance, monitoring, and programming should be carried out at the Agency level. There should be a conscious effort on the part of top management, he thought, to encourage and build up the stature of the Personnel Office and to bring into it

in certain key positions additional competence of a superior level.

Echols pointed out specific areas of program deficiency;

Lack of comprehensive personnel development program integrated to the major normal areas of career progression and also to the need for specialists and Agency-level executive requirements; failure to establish an effective mechanism to administer such a program.

Lack of adequate programs and related benefits for the correction of manpower imbalances without disastrous impact on employee morale and serious impairment of the Agency's recruitment activity.

Lack of an adequate system for monitoring and evaluating the conduct of our personnel programs.

Inattention, weakness and parochialism in the exercise of supervisory responsibility.

Deficiencies in the application of our compensation system as evidenced by the apparently widespread conviction that CIA is a second class employer with respect to compensation.

Inadequate machinery for communications between the employee and management on matters of concern to the employee and a lack of appreciation by management for the importance of such communications.

In 1962 before he wrote the Memorandum, in order to strengthen his hand and better "play" his game plan, 123/ Echols had a survey made of the monitoring responsibilities of the Director of Personnel as reflected in existing regulations. 124/ The study revealed some 34 items

of broad scope* and varying degrees of importance, ranging from monitoring adherence to ceiling, average grade and CSGA to staffing marriage-to-alien cases and serving as keeper of the Agency seal. A remarkable aspect of the study was its revelation of the degree to which central personnel administration had become isolated from the "on-board" people and their problems and oriented toward management and its many problems, some of which involved people only indirectly. In any event, as a result of the memorandum and the study, Echols got some "first-team" 125/ additions to his staff and was confirmed in the monitoring role, not so much over the career services as in policing the administrative regulations.

* There were approval or monitoring responsibilities listed for: Appointment, Ending Career Provisional Status, Suspension, Personal Rank Assignment (PRA), Promotion, Military Deferment, Separation, Separation Compensation, Consultants, Contract Personnel Agreements, Employee Compensation Claims, Fitness Reporting System, Planning Paper and Staff-Complements, Adherence to Ceiling, Average Grade, Career Service Grade Authorization (CSGA), Procurement of Military Personnel, Pay and Allowances of Detailed Military Personnel, Health Insurance, Life Insurance, Overseas Medical Benefits, Pay and Allowances for Missing Persons, Employee Emergencies Assistance, Travel of Candidates, Type of Travel, Service Agreement, Home Leave Points, [REDACTED] 25X1A Advance Sick Leave, LWOP, [REDACTED] 25X1A Suggestion Awards, Foreign Awards, Marriage to Aliens -- to name the 34.

Recommendations of the 1962 (Kirkpatrick) Task Force on Personnel Management in CIA

A comprehensive view of the personnel management problems* as seen by people outside the personnel field can be obtained from the report of the 1962 (Kirkpatrick) Task Force on Personnel Management in CIA. 126/ Among its 25 recommendations the Task Force stated that the most important problem was that of moving out the required number of employees each year in order to keep the flow of promotions and the personnel development program going. Their solution was to have the Director seek legislative authority to utilize the provisions of the Foreign Service Act of 1946, particularly the "up or out" provisions of that Act, and to open up the supergrade authorization, which at the time was at a ceiling of 223, as a means of breaking the promotion logjam. Further, they thought that the Director of Personnel should be given the authority to monitor a strong program to insure that individuals whose performance or actions were such that they were no longer suitable for an Agency career were selected out. To this end the Task Force wanted to revise the fitness-reporting system, to get the water out of

* The effect of the Echols Memorandum on the Task Force cannot be established because of the uncertainty about the date when the undated memorandum was sent to the Task Force; but it would appear that several of the recommendations were based on it, such as the career program changes, the strengthening of the Office of Personnel, and the Director of Personnel role.

it and to introduce a separate report for supervisors. They suggested that a forced-distribution method be followed -- establishing quotas for each graduation in the rating scale; for example, not more than three percent could be rated Outstanding. They expressed doubts, which had become almost pro forma for these groups in the late 50's and early 60's, about the continuance of the Career Service System and advocated returning personnel authority to line management. There were some thoughts expressed on the subject of "generalists," a subject very much in vogue in the personnel literature of the day,* and the Task Force recommended that both ends of the spectrum -- the JOT's and the super-grades -- be so designated and trained and deployed accordingly. The Task Force was also concerned that Agency people did not know where they stood career-wise, and were badly demoralized by the 701 Program, which they did not understand, and by the unfavorable publicity of the day. The Task Force wanted the supervisors to talk to the employees about it, officially, and to be aided by an Agency Notice from the Director dealing with the subject of job security and future of CIA. Promotion lists and assignment lists would be published as part of the

* Gordon Stewart, when he was Director of Personnel in 1958, had written an article for Studies in Intelligence entitled "What is a Generalist" in which he discussed the management trend to develop generalists as it applied to the intelligence profession and concluded that given the basic quality of people the decision to go "generalist" was a personal one based on interests and aptitudes, which intelligence work, by its very nature, would foster without formal programs.

process of leveling with the employees. The Office of Personnel and the recruiting function in particular came in for criticism as being weak and in need of strengthening; top-caliber personnel technicians should be obtained. The Director of Personnel should show more force in monitoring rotation and selection-out; in introducing and enforcing standard procedures for recruitment, promotion, and payment of overtime; and in providing outplacement services and separation allowances. A "DCI" Personnel Board and a Personnel Development Board, the latter to insure adequate rotation and development of generalists, should be established. A mid-career training course was recommended to assist in the development of generalists.

In contrast to the situation in 1960, it was the Deputy Director of Support, rather than the Director of Personnel, who responded on 31 August 1962 to the Acting Director of Central Intelligence, General Carter, on the Task Force Report.* As in the 1960 Director of Personnel and Career Council response to the same recommendation, the DDS rejected the suggestion that the Career Service System be studied further for

* The Director of Personnel, then Emmett Echols, was given the opportunity of commenting and contributing to the DDS memorandum.

the purpose of abolishing it.* Also rejected was the "up or out" concept of the Foreign Service on the grounds that there were many positions upon which there was a grade ceiling and in which employees could continue to do a superior job indefinitely without grade promotion.** The recommendations on the fitness report, which had just undergone a major revision and simplification***; on forced distribution of fitness report ratings; on an Agency Notice dealing with job security;

* In rejecting the proposal that the Career Service System be studied for possible abolition, Colonel White restated the problem: "The Agency's Career Service Program, together with its subordinate Career Service mechanisms representing major areas of vocational specialization, was evolved over many years as one possible solution to the seemingly hopeless problem of developing a unified Agency Personnel Program. The problem lay in the highly divisive forces generated by widely divergent missions, worldwide dispersion of command authority, high security compartmentation, and conflicting philosophies of organization and command . . . a workable concept and mechanism has been evolved . . . I do not agree and indeed think it would be most detrimental to "abolish" the entire Career Service System. I must also disagree that the present system has served to dissipate the command responsibilities of the line executives. Examination of our numerous career services discloses that they basically conform to the organization structure of the Agency and are operated under the command of the related Deputy Director concerned, or where appropriate, office heads subordinate to him."

** The statement, while true, reflected the stratification that had taken place in the maturing Agency. Only a relatively small number could expect to break through the layers to emerge as top managers and professionals, regardless of their potential and interests. This fact of life in the 60's, when combined with the reluctance or inability to define a hard core group which was inherited from the 50's, impaled Agency professional personnel administration on the horns of a dilemma.

25X1A *** Support Services Historical Series, OP-7, Fitness Reporting in CIA, 1947-69, by [redacted] November 1971, describes this important aspect of personnel administration in the Agency.

on publication of promotion and reassignment lists; on the designation of certain people as generalists; and on the Personnel Advisory Board and the Personnel Development Board were all challenged and successfully defeated. The expansion of the supergrade positions and the early-retirement legislative proposals were already being acted on, and this was pointed out to the Director in the DDS response. In stating the problems and offering solutions, the Task Force Report probably represented the highwater mark for these kinds of bodies in the field of personnel administration policy. From then on, although boards and task forces were named from time to time and there was an Inspector General survey every two years on the average, the development and carrying out of personnel policies became a line-management matter supported by "behind the scenes" staff work in the front Office of Personnel. Such recommendations as did originate with outside or specially named groups were increasingly procedural and specific in nature.*

* Mention should be made of the December 1961 report by [REDACTED] - 25X1A at that time a Special Assistant to the DDS -- entitled "Recruitment and Selection of Staff Personnel, An Appraisal," which deplored the low state of the recruitment effort and indicated that the Office of Personnel needed strengthening. An ST careerist who headed the JOT/CT

25X1A

Program from 1963 to 1968, [REDACTED] report may have been instrumental in rebuilding the recruiting effort after the Stewart clamp down.

- 25X1A

[REDACTED] became Deputy Director of Personnel for Recruitment and Placement in 1968. His comments on OP/OTR relationships and the JOT/CT Program are at source 42, p. 250.

Supergrade Administration, 1962 and Prior

One of the more important if less well known contributions to Agency management by the Director of Personnel and the central office has been the supportive role in the administration of supergrade positions.* As early as 1952, with a supergrade ceiling of 152, the Assistant Deputy Director for Administration (A/DDA), then Colonel White, suggested -- and the DCI approved -- the basic policy of subjecting these positions to all the procedures applying to standard grade positions -- including documentation by functional statements, charts, and position descriptions to be prepared by the Director of Personnel.** Also in 1952, the Director of Personnel was held responsible for maintaining records on incumbencies, ceiling, and positions and for studies and supporting data required to maintain comparability with the rest of the government. Later, at a point in 1955, the Personnel Office and the Classification and Wage Division established the factor-comparison method previously mentioned,** which served for seven years to provide a rationale for

* The Support Services Historical Series, OP-9, Office of Personnel: The Position Management and Compensation Division, 1946-67, by Frank G. [redacted] December 1971, contains a detailed description of the background, development, and control of supergrade administration from the standpoint of the personnel staff.

25X1A

** The Chief of the Classification and Wage Division, [redacted] was the staff officer responsible to the Director of Personnel and the Deputy Director for Support for this effort from the beginning. [redacted] has retained this responsibility up until the present time (1971) as Deputy Director of Personnel for Planning and Control (DD/Pers/PC).

25X1A
*** P. 108.

establishing supergrade positions both internally and with the Bureau of the Budget.

Because the Agency was exempt from the controls prevailing in most other government agencies, the BOB from the beginning had kept an eye on the Agency's supergrade ceiling. In 1962, with a supergrade ceiling [REDACTED] and with Agency strength holding at around the [REDACTED] 25X9 mark, there occurred what can best be described as a supergrade explosion. The Director of Personnel, responding to strong demands from the DDP, the DDI, and the DDS, submitted for approval by the DCI some [REDACTED] supergrade allocations. 127/ The positions recommended for upgrading included the Chiefs of major branches in the DDP Area Divisions, the Chiefs of Support of the major divisions and certain overseas stations, key positions in the Office of Communications, senior positions in the Directorate of Research (DDR). 128/ There were three major forces at work behind the proposal. A 1962 task force on personnel management* felt that the poor morale and dissatisfactions following the 701 Program and the Bay of Pigs would be offset by opening up promotions at the top so as to break the blockage down the line. The Clandestine Services, which had been slighted in the original allocation of supergrade positions, were anxious to bring their grades up to the level of the Foreign Service, which had many FSO 1 and 2 officers -- equivalent to supergrades.

* See p. 149.

Finally, and probably most potent, was the desire of the DDS to do something for the cadre of versatile and capable support officers that he had developed over the years.* However valid the reasons, the proposal caused consternation in the Bureau of the Budget when they were notified that the DCI had authorized the increase: "This 90 percent increase in your existing totals of supergrades comes as a distinct shock, particularly as it was unaccompanied by any supporting data or analysis." Furthermore, BOB said, the timing was poor because the proposal came at a time when the President was endeavoring to gain congressional acceptance of the Pay Reform Act, which would radically alter the pay scales up and down the line. The matter was eventually adjudicated by agreeing to pro-rate the supergrade allocation increase over a period of three years, amounting to a ceiling of not more than

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[REDACTED] the agreed figure -- by 1962.**

* Back in the early 50's, Colonel White had decided that the only way centralization of administration, as ordered by the DCI, General Smith, was going to work was through people. Edicts were not enough in the chaotic situation. He needed a corps of good people who had three areas of experience -- one tour of duty in a central administrative office, one in a CS Area Division as Administrative Officer or Personnel Officer, and one tour of duty overseas -- a process calculated to take at least six years. "Until I got that, I did not have a satisfactory base on which to build, so I had to stake out for myself a six year program and fight every day to keep it on the track." 129/ He was still fighting in 1962.

** Robert Amory, the DDI from May 1953 to April 1962, was at this time Chief of the International Division of the Bureau of the Budget and had, of course, a different allegiance, but his knowledge of the Agency was instrumental in adjudicating the original proposal.

The role of the Office of Personnel and the Director of Personnel in this exercise was a staff role that included the comprehensive surveys of grade levels and responsibilities in the Foreign Service, the Agency for International Development (AID), the Atomic Energy Commission (AEC), and the United States Information Agency (USIA) as well as recommendations on the CIA positions to be increased.

The staff responsibilities of the Director of Personnel in supergrade administration were increased by [REDACTED] "Management of Supergrade Personnel," dated 31 August 1962, which abolished the Supergrade Review Board and transferred the coordination responsibility for all supergrade actions to the Director of Personnel, where it has since remained.* In 1969 Agency executive position requirements were incorporated into the Planning, Programming, and Budget (PPB) mechanism, with the Bureau of the Budget approving a supergrade ceiling of [REDACTED] and a scientific pay schedule (SPS) ceiling of 30 for the Agency through FY 1973. The Director of Personnel retained his supportive role in the administration of these positions. 25X1A 25X9

* Before 1962 the DDS, at the direct request of two DCI's, Allen Dulles and General Smith, had personally kept the records and coordinated supergrade administration matters for all the Directorates.

Personnel Planning and Forecasting

In May 1962, on the heels of the 701 Program, Personnel developed and presented to the DDS a recruiting requirement [redacted] people "for the year to come." Although the recruitment branch had ordinarily prepared a guess-estimate of future requirements, the 1962 forecast by the Placement Division 130/ was the first attempt at advance planning* that would give the three support offices concerned with entering people on duty -- Personnel, Security, and Medical -- an early warning of impending workload. A secondary purpose was to stir the Office of Personnel into action on what was felt by the operating components to be an alarming drop in applications and the possibility of a recruiting failure. The forecast represented a good technical job (see Table 3). It presented the various "givens," such as attrition ratios and the ratios of candidates to actual EOD's, in terms of four broad categories of personnel. Unfortunately, the people drawing up the figures could not look into the future, where in the course of FY 1964 there lurked a

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* The procedure for establishing staffing complements (Tables of Organization) called for a Planning Paper to be developed by the operating officials with the assistance of the Position Management and Classification Division (PMCD), OP which would indicate how the ceiling allocation would be used in terms of grades and positions. After the abortive CSSA effort (see p. 124) the Planning Paper was not tied in with advance personnel planning possibly because of the split between the management of positions by component and the management of people by the career service. The difficulty of balancing strength, ceiling, and T/O also compounded the problem of advance personnel planning.

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ceiling cut, a freeze on hiring, and similar revolting developments, which -- when combined with the long leadtime required for CIA appointment* -- would negate most of the geared up recruiting effort to which the forecast led. It was not an unusual happening in the administrative history of an Agency when many offices displayed wall legends reading "We don't plan, we panic." The basic problem of peaks and valleys in the recruiting process led to the so-called roller-coaster effect which plagued personnel administration from the early 50's and caused many of the personnel problems that made the 701 Program necessary.**

* The lag time was a composite figure composed in part of uncontrollable factors such as the seasonal nature of recruitment, availability of people, and Agency factors such as clearance time and decision time. The Director of Personnel hired all clerical personnel into the "pool" so that their lag time was minimal. For all other personnel the employment decision was made by the using component. A random sampling of professional cases in process in mid-1961 showed an average delay of 30 days from date of interview to receipt of the Personnel History Statement at Headquarters. The time involved in Headquarters review prior to decision to initiate security clearance averaged forty-five days for a single office and 69 when the file was sent to two or more offices. Security clearance averaged 120 days. There were chokepoints, such as the polygraph test and the medical examination, that could mount up the time in the busy season. The sampling showed that the minimum time for the course was four to six months, about the same as it had been in 1948 and 1952.

** The tabulation of accessions by years (see Table 4, p. 161) shows the pattern as described. The big expansion had already taken place by 1956 and Agency strength was fairly stable in the years between FY 1956 [REDACTED] and FY 1962 [REDACTED] after which it started to climb again (see Table 3, p. 159). Separations were more stable and predictable (Table 4) and demonstrated how fast "Personnel" had to go in order not to lose ground.

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Nothing further was done with the almost impossible task of advance planning until 1966 when a new concept was tried, that of the Advance Staffing Plan (ASP). There were two parts to the ASP. A preliminary forecast was prepared in collaboration with the Planning, Programming, and Budgeting Staff (PPB) based on PPB's time cycle and on the manpower ceiling proposals that they were incorporating in Agency budget presentations for the years ahead. The preliminary estimate was derived by statistical formula from the bulk unallocated ceiling spelled out in terms of gross categories of manpower required -- professional, career trainee, technical, communicator, and clerical. The preliminary estimate was sent out at least 18 months in advance of the fiscal year to the support offices as a guide to impending workloads.

The second part of the ASP was developed as soon as the ceiling allocations were made by the PPB to the components, and it represented a more formidable undertaking. Personnel* working with the components began a process of developing the requirement from the bottom up -- line by line and preferably by job title -- in order to compile the specific occupational requirements of the Agency six to eight months in advance of the fiscal year. There were several limitations to this effort, some of them involving the nature of personnel statistics. To use a grisly

* At this point, the planning work had been assumed by the Plans and Review Staff (PRS) of OP.

example, it is possible to estimate quite accurately how many people will be murdered in a given city in the year to come, but it is not quite as simple to predict who they are going to be. In the Advance Staffing Plan concept, the gross predictions on attrition could be quite accurate, but when it came to spelling out the specifics, there were large elements of guesswork as to who was going to leave. Experience patterns were very marked in some occupations. It could be expected, for example, that almost one-third of the clerical force would leave in any given year. In the professional field, the economists would leave at the rate of about 20 a year; and for the engineers and scientists four years was a career -- at least in the 60's.

In other occupations there was no way of establishing patterns. The few programs that were expanding represented another kind of planning problem in the sense that the requirements were known and the difficulty was one of finding the scarce categories needed. Thus the average Advance Staffing Plan in the late 60's contained a requirement for approximately 2,000 people for the upcoming fiscal year.* Of these, 1,400 were for clerical personnel to replace losses and restock the pool. The Career Trainees -- for whom there was a fixed quota -- the economists, and the computer types accounted for another 300 or so. Communicator

* FY 67 was another peak year with more than 2,700 people entering on duty.

requirements accounted for from 100 to 150, and the rest of the requirements were spread across a variety of professions -- the "57 varieties" they were called, ranging from medical doctor to business accountant, many of them one-of-a-kind "rare bird" types.

The preliminary forecast portion of the Advance Staffing Plan was welcomed and actually sought after by the Support offices as a guide to their budget and work planning primarily because, from 1966 until his retirement in December 1970, Robert Bannerman, then the DDS,* would accept no other workload figure in the budget estimates submitted to him by the Support components. The second detailed portion of the Advance Staffing Plan received a mixed reception. The recruiting division in OP welcomed the ASP as a guide to the scope and emphasis their efforts should take. The Placement Division, which technically placed the requirements on the recruiting division, had strong reservations about the validity of specific requirements developed so far ahead of actual vacancies. At a minimum, the ASP represented a step forward in that for the first time it coordinated budget planning and personnel requirements planning at the Agency level. Whether it was possible through advance

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planning 131/ to level off the peaks and valleys in the recruitment process, which has been at least a partial cause of the marginal personnel and overstaffing problems of the Agency, hinged on the dovetailing of personnel requirements forecasting with the manpower planning and control that took place at a higher level in the organization -- the Planning, Programming, and Budgeting Staff in the office of the Executive Director-Comptroller -- and on the accuracy of the PPB estimates and control of Agency manpower needs.

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amounting to 20 percent of its workload, the rest being concerned with changes to staffing complements and the quarterly issue of the "Career Service Grade Authorizations." One aspect of the personnel program that appeared to be very familiar to the employees was the benefits and services area. Life and health insurance programs were being handled in an ever greater volume, including 13,299 health insurance claims amounting to a total of 1,470,000 in the course of the year. The Credit Union with assets of over \$9 million, by now the fourteenth largest in the country and the third in size in the metropolitan area, processed approximately 8,700 new loans totaling \$8,760,000.* In the more conventional personnel areas, the Applicant Review Panel, the Overseas Candidate Review Panel, and the Agency Disposition Board -- all mechanisms for accomplishing the coordination of Personnel, Security and Medical on personnel problems -- were in action handling 354, 1,096, and 4 cases, respectively. The Mid-Career Program was instituted and though the major burden of the Mid-Career Course fell on the Office of Training, the Office of Personnel was involved in the procedures for selection of participants and followup of assignments. Contract Personnel totaled

25X9 [REDACTED] from the previous year with attendance [REDACTED] increasing administration. The Fitness Report responsibility which had

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been assigned to the Director of Personnel by the Career Council before it expired in 1962, was further simplified by adopting a five-point scale -- Weak, Adequate, Proficient, Strong, and Outstanding -- for marking both individual duties and overall performance and dropping the evaluation of the Personal Characteristics section in favor of a narrative section in the report. The comments of a harassed and overworked personnel officer, used slightly out of context to be sure, described the year: "We were too busy working to do much thinking."

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Manpower and Position Management, 1964

From the beginning of the Agency, efforts at manpower planning and control were feeble and fragmentary. The persistence of the "sky-is-the-limit" philosophy, the lack of advance personnel planning at the Agency level, the policy of decentralizing personnel management, all contributed to a manpower situation that was aptly described as a "vast, amorphous pulsating mass."* To meet the operating officials' demands for flexibility, the Table-of-Organization method of managing positions and assigning people had been modified from the rigid military model from whence it was derived by the introduction of concepts such as the staffing and development complement, the flexible T/O, competitive promotion, and Personal Rank Assignments. The dichotomy between position authorization -- which was on a component basis, as was budget -- and the management of people -- which was on a career-service basis -- led to an ever widening discrepancy between positions and people, a gap that the Career Service Grade Authorization attempted with limited success to bridge. The imposition of relatively mild personnel ceilings on a component basis, which began as early as 1952 when General Smith balked at the [redacted] personnel requirement in the FY 53 budget proposal, added still another factor that reduced to zero the likelihood of positions,

* The Agency was so described by an outside management training con-

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ceiling, and strength being in balance in a given component at a given time. There were several consequences to central personnel administration. Personnel accounting, which would have given top management the information required to control the situation, became an administrative nightmare.* It was very difficult to give management completely accurate data in a real-time sense. The classification and wage function, which had to assign grades to the numbers and organization structure as presented, was continually in an after-the-fact posture similar to that of the spectator at the auto race, "here they come, there they go."

Then in 1964 the sky fell in. Stern ceilings were imposed by the highest levels of the government, and average grade controls and average salary controls became the order of the day. Again, as in 1953, the accordion effect was felt most severely by recruitment, which had not completed its expansion before a halt was called to further hiring. Strength was frozen as of 30 November 1963, reduced ceilings were announced for FY 64, and a further reduction for FY 65 was imposed. At the time there were 2,496 people in process for employment, and approval had been given to an OP Plans Staff study that raised the JOT Program input for the year to 225, approximately double that of the previous year. The bewildering shift in emphasis had many consequences, none of

* A complete history of personnel accounting and personnel records is contained in the unit history entitled [REDACTED] 30 June 1971.

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them good except possibly one. Placement, which never could find a place for itself in the decentralized personnel setup, 133/ came into its own in a new role as the guardian of the entrance gate.

Daily reports of gains and losses were kept; these were furnished to top management almost on a bulletin basis. Some components were denied permission to replace losses, others had to equate EOD's with terminations on a 1 to 1 basis, and a rare few could add to their strength if the gains were within the ceiling allocations. The Classification and Wage Division function, which was shortly to be retitled the Position Management and Compensation Division in acknowledgement of the new-found interest in managing positions, was hard hit by the average grade and salary restraints, as is shown in a directive issued by the Executive Director on 19 May 1964 134/:

You 7 the DDS will therefore instruct the Director of Personnel to take the necessary action to reduce the headroom throughout the Agency a sufficient amount to lower the average position grade to at least that of a year ago and preferably somewhat lower.

When Personnel moved to do it, the reaction that followed was so violent that the Chief of PPB, ██████████ found it necessary to explain to the operating components that Personnel had misinterpreted the directive. The action was supposed to be taken at the Agency level, not component by component, by pulling out the excess headroom -- a neat trick if you could do it but one which violated the mathematical principle that the whole was equal to the sum of its parts.

In many ways the organization's maturation pains were more difficult than the growing pains. The sudden emphasis on control at a central point certainly taxed the record, reporting, and control aspects of the central Office of Personnel and set back the planning part of the planning and control equation in the Agency. Losing sight of the planning function was unfortunate because the Vietnam escalation was just below the horizon, and this was to lead shortly to renewed manpower expansion with FY 67, when [redacted] people entered on duty, as one of the larger accession years. The difficulties of manpower control and position management were well described by Colonel White, at that time the Executive Director-Comptroller of the Agency, in a 1971 statement 135/:

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The Agency grew so fast that people really made out their own T/O's and put down what they wanted. There was not much external pressure and no real authority within the Agency to control manpower . . . General Bedell Smith, when he heard that we had [redacted] people 25X9 in the FY 53 budget, said that when you get half that many, stop recruiting . . . At that time we had [redacted] 25X9 on board and it was decided to go to [redacted] Then the 25X9 [redacted] business came along, and we went on up . . . 25X1A It was the old Management Staff, which was set up originally under [redacted] and Hillenkoetter, that was supposed to decide how many people we needed, and the Personnel Office did not have very much to say about that. Their job was to decide on the grade allocations based on the number of people and the way they were going to be organized. So for many years the Management Staff would recommend the organizational structure and strength, and the Personnel Office would make recommendations on classifications. Although the process was not too effective, we rocked along this way up to the McCone administration [1962] . . . When the Executive Director and Comptroller jobs were combined, Kirkpatrick retained a group of 50 or so, which he called the Office of Budget, Program Analysis, and Manpower. The Management

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Staff had been abolished some time before 1960 so that it was this office under [REDACTED] that started to bore in on manpower control. On becoming Executive Director-Comptroller in July 1965 -- this was about the time that Planning, Programming, and Budgeting took on sex appeal in the government and systems analysis came along -- I changed the name to the Office of Programming, Planning, and Budgeting (PPB), and they were the people who moved in on manpower control. Having said all this, the real manpower control comes from the Director and from the President. I can't control it, PPB can't control it, the Director of Personnel can't control it, the Management Staff, nobody can unless the Director puts his foot down and says this is what I want done. When you have a Director that says that, then somebody can do it . . . but that is what it takes.

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Another IG Survey, 1964

Perhaps the personalities involved had something to do with it -- Emmett Echols was the Director of Personnel, and [REDACTED] was the 25X1A Chief Inspector. In any event the IG Survey of 1964 was preceded by a lively correspondence between the two, in the course of which were asked numerous questions, the answers to which required statistics on practically every aspect of personnel administration. The exchange of memos covered subjects such as Counseling in CIA, Salary and Wage Structure, Overseas Candidate Review Panel, Professional Attrition in the DDI Group, Clerical Recruiting, the Career Services, Non-Staff Personnel, Fitness Reporting, CSC/CIA Interchange Agreement, and Qualifications of Personnel Careerists.

As might be expected, the IG Survey itself 136/ came as kind of an anti-climax to all this pre-survey activity and took the form of recommendations on the same points: making the counseling service better known; assuring a coordinated evaluation of the suitability of Agency employees; providing a critical review of the clerical requirements of the operating components; expediting involuntary separations; and other improvements to ongoing programs. Gone were the sweeping criticisms

that characterized the earlier IG surveys.* The steps recommended were specific and to the point -- for example, broadening the responsibilities of the Salary and Wage Division to include organizational review, shaking up the outplacement effort and making it effective, improving the employee counseling service, expediting issuance of needed Personnel regulations, clarifying the fitness report ratings, attacking the high cost of recruitment and processing, making a new start on an Executive development program, and coordinating the evaluation-of-suitability factor in Agency employment** -- and kept the Director of Personnel and his staff and division chiefs busy for several months responding to the direct challenge they presented.

* The contrast to the IG report of ten years earlier which resulted in the "Ten Ways of Improving Personnel Management in the CIA" (see p. 91) was particularly marked. At that time the specific comments of 35 office heads and division chiefs as contained in Annex I to the report, some favorable and some critical but all specific, were not shown to the Personnel Director and he was left to struggle with generalities.

** Included in the IG package was the recommendation that an interchange agreement be reached with the Civil Service Commission which would permit transfer between the Agency and the Civil Service without examination or loss of grade. The IG thought this might expedite the outplacement process. The suggestion, however, ran afoul of veterans preference and other limitations to which the Agency was unwilling to submit and got no further than the several which had been made over the years. In 1964 the Foreign Service of the State Department reached such an agreement by means of an Executive Order and as of this writing (1972) there are good prospects that the Agency may change its attitude on the interchange agreement.

Passage of the CIA Retirement Act of 1964

The single most significant event of the year was the passage of Public Law 88-643 in October 1964 authorizing the establishment of the CIA Retirement and Disability System (CIARDS) and culminating some twelve years of stop-and-start effort.* The CIA Retirement Act was a major accomplishment in Agency personnel administration, one in which the Director of Personnel and his staff played a substantial role.**

* Refer to Chapter V, p. 202 and following, for a further account of CIARDS and its implementation by the Office of Personnel. Also refer to Support Services Historical Paper, OP-4, The Development of Retirement Policy in the Central Intelligence Agency, 1947-68, by Richard

25X1A [redacted] June 1971.

** Emmett Echols, Director of Personnel, [redacted] Executive Officer, 25X1A OP, and [redacted] Deputy, General Counsel were the principal individuals in the development of the final legislation. The implementing regulations were written in the Personnel "front office."

Review of Career Management Activities

In July 1964, the Director of Personnel, following up on the concept of reviewing and monitoring the Agency's career program, requested the Deputies* to furnish materials, directives, and notices on their career services which would serve to illustrate the historical development of career management concepts and techniques. The response was immediate and voluminous. All 22 career services furnished materials which, if nothing else, illustrated how autonomous they were and how different were their individual situations. About the only factor common to all was a Career Service Board although even there the larger services had subordinate panels, some based on vocational areas and some on grade groupings. There were variations in promotion guidelines such as time in grade; on making assignments, some advertised vacancies; and on appointment, some requiring board action and others leaving it to the line manager. The briefest and most unique response was from the Finance Career Service which sent two attachments, one their instruction on training policy and the other their Competitive Promotion Guidelines. These consisted of six factors; namely, Performance, Qualifications, Potential, Assignability, Length of Service and others. Their letter concluded by saying that "these are the only internal publications which have been issued by this office since we depend primarily

* Memorandum for the DDI, DDP, DD/S&T, and DDS from the Director of Personnel, 22 July 1964, Review of Career Management Activities.

on Agency Personnel Policies and Procedures." The original intent of the Director of Personnel had been to discuss the material with the Personnel Advisory Board (PAB) possibly in the interest of introducing some degree of standardization. Unfortunately, the PAB passed out of existence shortly thereafter and that was the end of the review. An interesting first step toward an Agency-level presence in the career management of Agency employees proved to be ineffective.

Recruitment to the Fore, 1967

In late 1966 and early 1967 an abrupt change in direction in Agency personnel administration took place. Whereas from 1964 on, the Office of Personnel was heavily engaged with various manpower problems resulting from reduced personnel ceilings and average grade and average salary restrictions, in 1967 the focus shifted suddenly and unexpectedly, at least from a planning standpoint, to the opposite direction of ceiling increases, manpower shortages, and increased recruitment demands throughout the Agency. The result was an almost classical accordion effect, with a retrenched staff -- recruiting offices had been reduced from 19 to 14 the previous year -- faced with an expanding requirement to meet a new and undefined situation. Not only were staff personnel requirements increased but also the Clandestine Service sought and obtained central recruitment service in connection with the development of two large covert programs for Southeast Asia.

To add to the difficulties, an article in a West Coast magazine called Ramparts revealed the National Student Association - CIA relationship and caused an avalanche of unfavorable publicity on the campuses of the country and resulted in 27 incidents of either interference with or cancellation of recruiting visits to college campuses.* The efforts

* The unit history of the Recruitment Division, entitled CIA Recruitment, 1947-71, OP-8, by [redacted] December 1971, contains a more detailed account of this activity and of Agency recruiting experiences and efforts throughout the years.

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of the so-called "New Left" and the widespread anti-Pentagon-CIA demonstrations added a new twist and some hazard to the efforts of Agency recruiters, who responded well to the challenge. Not only in the newspapers was 1967 a memorable year. Nearly [redacted] people entered 25X9 on duty as staff employees that year, and another couple of hundred were recruited on a contract status for the Vietnam projects. The processing backup and the placement assistance behind the recruiting efforts also expanded as the workload indicators -- correspondence, security initiations, personnel actions, reports, and records -- shot up all over the Office of Personnel. The shift in emphasis to those employees who were arriving took the spotlight away temporarily from those who were leaving as a result of the retirement legislation and policies. A phenomenon called BALPA also appeared in 1967. Suddenly it was extremely important to know just how many people were working overseas for the Agency so that the required percentage could be cut. An extremely unpleasant few months resulted with an exasperated top management trying to find the answer to their relatively simple question. Eventually, on the basis of an overseas census taken by the Clandestine Service, contract personnel were cranked more closely into the personnel accounting system. Periodic reports were furnished to higher authority on progress in reducing overseas strength as part of the government-wide program to bring US overseas payments into better balance.

Changed Concept of the JOT/CT Program, 1965

The Agency's prize personnel package, the Junior Officer Training Program, while continuing to be administered by the Office of Training,* was changed in title and concept in 1965. It was now called the Career Training Program (CTP), the people in it were CT's rather than JOT's,

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the JOT's had represented a relatively small percentage of the professional input into the Agency -- [REDACTED] in most years -- and had been largely concentrated in the Clandestine Services, the CT's would, it was thought, fill a substantial portion of the Agency professional manpower requirements - [REDACTED] and serve as a source of new professional officers for the Intelligence and Support Directorates as well as the CS.

The Director of Personnel, while still on the sidelines in most respects, began to exert a somewhat stronger influence in the manpower aspects of the program and in its integration into the total professional manpower input. Intensive studies by Personnel forecast at that time a succession problem of considerable magnitude looming in the 70's (see Figure 5). The studies indicated that among managerial and professional

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* See p. 30 for an explanation of the OTR jurisdiction.

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the late 60's.* Certainly there were plenty of records and reports to aid in the task of tallying the results. No personnel program was ever so thoroughly studied for all aspects -- academic sources, processing time, attrition, promotion rate, assignments, comparability to other federal programs to name a few -- and these studies required both the Office of Training and the Office of Personnel to keep exhaustive statistics on the JOT/CT's throughout the life of the program. On one point there was agreement. Without the JOT/CT's the Agency would have been at a loss for replacements for the competent, dedicated professionals at all levels who built it and led it through "thick and thin" for

* An April 1967 survey of the CTP by the Inspector General showed that after 15 years former JOT's and CT's were beginning to move into middle and senior Agency positions. In OCI (Office of Current Intelligence) an area Chief and a Division Chief were former JOT's. ONE (Office of National Estimates) had four GS-14 Estimates Officers. The Clandestine Service had two GS-15 officials in Headquarters and several [redacted] ranging in grade from GS-12 to GS-14. A Chief of Support in an area division was a former JOT. The survey indicated that "within the next five to ten years the movement of CT's into senior positions should proceed rapidly."

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20 years.*

* An interesting comment on the older group is contained in Allen Dulles' book, The Craft of Intelligence, published in 1965 after his retirement:

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The charge has been leveled against CIA that it recruits almost exclusively from the so-called Ivy League colleges in the East with an overtone that possibly we have too many "softies" and possibly too many "liberals" for the tough job the CIA has to do. It is quite true that we have a considerable number of graduates from Eastern colleges. It is also true that in numbers of degrees (many of the CIA personnel have more than one degree) Harvard, Yale, Columbia and Princeton lead the list, but they are closely followed by Chicago, Illinois, Michigan, University of California, Stanford and MIT. It is interesting, however, to note that taking the approximately one hundred senior officers of the CIA, statistics show that these officers have degrees from sixty-one different universities, representing all parts of the country. It is, in fact, a highly heterogeneous group of men, representative of the entire United States, with a certain number of the men having postgraduate degrees from foreign universities. (Signet Book Edition, pp. 162-163.)

1966 Reorganization and Staffing, Office of Personnel

Throughout its entire existence the central Office of Personnel was continually being reorganized to meet the changing emphasis in its activities.* In 1966 a triple-deputy concept was introduced, which -- with some basic realignments** -- was continued throughout the period: 137/

Deputy for Recruitment and Placement (DD/Pers/R&P) -- included in his jurisdiction the Recruitment and Retirement Placement Division and the applicant processing and placement functions formerly in the Personnel Operations Division.

Deputy for Operations (DD/Pers/O) -- included the Benefits and Services Division, which had become a major endeavor and employed more people than any other division in Personnel, the Contract Personnel Division, the Mobilization and Military Personnel Division (MMPD), and the recordkeeping and control functions of the former Personnel Operations Division.

Deputy for Planning and Research (DD/Pers/P&R) -- included the Plans and Review Staff and the Position Management and Compensation Division.

* Echols established the practice of meeting with a special group, originally called the noon group and later the four o'clock group, after the hour at which they met. These were people from the Office of Personnel who in Echols' judgment had something to contribute to D/Pers' problems. Not all division chiefs were included. The Chief of Plans and the Chief of Placement were continued as members even after deputy directors were named as their bosses. The group, which met three times a week, were mainly concerned with actions to be taken with respect to the latest personnel crisis. Echols also introduced in 1963 the concept of a periodic Personnel Conference held at the [redacted] in which all grade levels participated. Despite these noble attempts there was a king-size communication gap between Echols and his subordinates.

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** The current (1972) arrangement calls for deputies for Recruitment and Placement (DD/Pers/R&P), Special Programs (DD/Pers/SP), and Planning and Control (DD/Pers/P&C).

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As to accomplishments, Echols' work and that of [REDACTED] in 25X1A developing and implementing the CIA Retirement and Disability System (CIARDS) in the 1962-66 period was undoubtedly the outstanding achievement of his regime.* Echols also substantially increased the Agency's recruiting capability in 1967, including expansion of [REDACTED] 25X1A

25X1A

[REDACTED]

His management of the Office of Personnel was conservative so that increased workload resulting from the Vietnam expansion was handled without increase in that office. On the debit side, his administration was marked by an increasing isolation from his subordinates, which led to an undue concentration of work and responsibility in the "front office." The Personnel organization was largely unused in the planning and decision making process.**

* In the course of the interview for the Oral History, Echols described a major accomplishment as the burying of all vestiges of the elite career staff concept which he said was done by omitting it in a revision of the career service regulations in 1960 (see source 121, p. 284). Colonel White in the 26 July 1971 interview for the Oral History credited Echols with developing the 701 system. However, Colonel White also said that he kept looking for inter-directorate rotation plans and not getting any, although he did not entirely place the blame for this non-result on the Director of Personnel (Tape 18).

** It is, of course, difficult if not impossible to sum up eight years of a Personnel Director's incumbency in a few sentences, which brings up the question, "how long should a Personnel Director serve?" William Kelly, the first Personnel Director, in his interview for the Oral History in November 1970 recommended a fixed term of office, preferably not more than four years (Tape 2). Colonel White, on the other hand, saw no value in a fixed term (Tape 18). The chances are that both personnel administration and the individuals concerned, having suffered from too rapid a turnover in the early 50's, were not well served by the lengthy incumbency of the 60's.

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Last Look, 1968

In February 1968 Robert Wattles* succeeded Emmett Echols as Director of Personnel, thus ending the longest single regime in the history of that stormy office.** Among his initial moves, the new D/Pers took steps to expand communication within the office by encouraging at all levels participation in the problem-solving process and by resuming regular meetings with operating Personnel Officers to bring them back into the fold. 138/ Stress was also placed on advance planning of Agency personnel requirements, on studies dealing with the flow of personnel in the career system, and -- perhaps most intensely -- on a massive review of personnel records and processes to adapt them to the capabilities of the latest generation of computers. 139/***

25X1A



** In March 1968, [REDACTED] long-time communications official, was assigned as the Deputy Director of Personnel. He was to rescue that unhappy post from the oblivion it had suffered up to that time. In fact, Colonel White in the 1971 interview for the Oral History (Tape 18) stated that the "personnel business under Wattles and Fisher has enjoyed about as much stature as it is going to enjoy." Fisher succeeded Wattles as Director of Personnel in January 1971.

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*** This effort was part of a broader DDS project administered by SIPS (Support Information Processing Staff). The description of SIPS and of ADP and personnel is contained in the unit history of the Control Division/OP, entitled Personnel Records by [REDACTED] 1971.

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On the more conventional side, recruitment was still under attack by campus radicals although not as severely as in 1967.* In 1968, [REDACTED] people were brought on board because of reduced requirements, considerably less than the [REDACTED] in 1967. The major emphasis was being given to pre-retirement counseling and out-placement assistance. These efforts were soon to be accelerated by the naming of a task force, headed by a senior DDP officer,** which was to raise the program to a level commensurate with the expectations of the DDP. 140/ The classification and wage function, now called position management and control, had achieved a solid if unglamorous place for itself in the scheme of things. Benefits and services, which at the time included retirement processing, was thriving -- a reflection of the trend in society at large for cradle-to-grave care of the human side. Nothing was ever administratively simple in the Agency, and every new development brought new complications to those who had to push those mountains of paper -- for example, cover and creditable-service problems in computing retirement annuities. A committee, the first in several years, was named to look into the professional manpower picture. The Committee on Professional Manpower was

* This situation and the entire panorama of Agency recruiting is told in the unit history of the Recruiting Division/OP, cited on p. 179.

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** [REDACTED] was chosen for the task. His History of the Retirement and Counseling Placement Staff, 19 June 1967 to 14 March 1969 describes this program in detail. (Support Services Historical Series, OP-1.)

headed by the Director of Training, then John Richardson, and was charged with reporting on the quality and caliber of recent "professional input," as it was now called in the language of the computer. There was a feeling in some quarters that the caliber of the young officers entering the Agency was not up to that of their predecessors. If all of this has a familiar ring, it may be because the problems were the same. Only the players were different. The Agency chose to go down the path of decentralized personnel authority, which led in turn to a particular set of recurring difficulties. The chronic inability to accomplish broad-gauged personnel and training programs such as interservice rotation and career development, the difficulties encountered with manpower planning and control, and the lack of Agency-wide qualification and salary standards were among the deficiencies resulting from the choice. History, said Lord Acton, does not disclose its alternatives, and any other course might have led to a different set of troubles perhaps more damaging to the Agency's mission, troubles stemming from the rigidity and lack of responsiveness.* Perhaps it will suffice to say

* As this is written, the Foreign Service of the State Department, a highly centralized system based on an "up-or-out" policy -- that is promotion at determined intervals or force out -- is embroiled with the Congress over its personnel policies. The controversy stemmed from the suicide of a 47-year-old Foreign Service Officer who had failed of promotion and was thus forced out of the service in the 17th year of service and at an age where he had neither the 20 years nor the minimum age (50) to entitle him to an annuity.

that the system of personnel administration in the Agency met the pragmatic test. It worked and in so doing contributed to the accomplishment of the Agency's unique mission in keeping with the 1948 dictum of Allen Dulles that administration should be the handmaid of operations.

The difficulty was and is that personnel administration is a paradox, which in one aspect at least can be described as follows:

No central personnel agency can hope to be popular always and with everyone . . . it must try to meet irreconcilable objectives, namely service and administration of the laws and regulations . . . it is characteristic of personnel administration that its contribution cannot be measured effectively when it operates in the sphere of its greatest effectiveness, but its value is relatively determinable when it neglects its most important function . . . The paradox is this . . . the Personnel Director is essentially an advisor to management -- from top executive to first line supervisor. As he performs his task, either effectively or poorly, his contribution is commingled with that of general management, and therefore not separately measurable. On the other hand, if personnel administration confines itself to its own operations, it can boast of the number of applicants recruited, of jobs classified and similar activities that are capable of statistical treatment. These are all useful and necessary services but fail to demonstrate personnel administration's role in management decisions. 141/

CPYRGHT

V. Administering to the Human Side

The Search for Tangible Benefits

The original impetus for the development of the Agency's unusual program of employee benefits and services came in the early 50's from the Career Program.* There was a great desire to identify motivating factors that would encourage people to apply for membership in the Career Staff when that concept was in vogue. These factors were thought of in terms of tangible benefits accruing to members of the Career Staff, and a great deal of time was spent in developing and listing them. The efforts were not successful mainly because the Career Staff concept was not successful, representing as it did "a distinction without a difference" when compared with the Agency as a whole. The staff efforts and high-level interest, however, generated a momentum that resulted in some very tangible benefits for membership in CIA. Under the leadership of the

* Lyman B. Kirkpatrick (Bio p.50) from his position as Chairman, Career Service Board (1952-54), was the prime mover at top management level in this endeavor. He stated (see source 43) that "The Board hammered through an Agency health and insurance program that preceded by nearly five years the Federal Government's action in this area. The Career Council set to work to develop a retirement program specifically adapted to Agency needs, and by 1954 had legislation drafted that would accomplish this purpose. It was not until 1964 that Congress finally passed this legislation thanks to the strenuous efforts of John McCone who was then Director." Kirkpatrick continued his interest in benefits and services throughout nine years as Inspector General (1953-62).

Career Council (1954-62) and its predecessors, the Career Service Board (1952-54) and the Career Service Committee (1951-52), actions in this field moved forward on three main fronts* and at several levels in the organization. The internal process was one of continuous interchange between the Council, the General Counsel's Office, the offices of Personnel and of Finance, and the operating components. 142/ Usually a representative group from the various components would make a survey and identify the needs and make its recommendations to be submitted to the Director. A constant policy issue involved the route to be taken to achieve the desired objective -- administratively, by use of the Director's special authority, or legally, by seeking statutory authority, with the former favored over the latter. Research in Federal Personnel Regulations and practices of other Agencies and preparation of staffing papers and background material was done by the Personnel Office. The

* Deserving mention in this frame of reference, although outside the scope of the Overview History, was the development of a matchless training program, both internal and external, which led the Civil Service by at least a decade in terms of full-time, full-pay educational and training opportunities, and was equaled only by the Military and Foreign Service. This important chapter in Agency personnel administration is described in the History of the Office of Training. (See OTR-6, Growth and Development, 4 December 1953 - 1 July 1956, by [redacted] April 1971.)

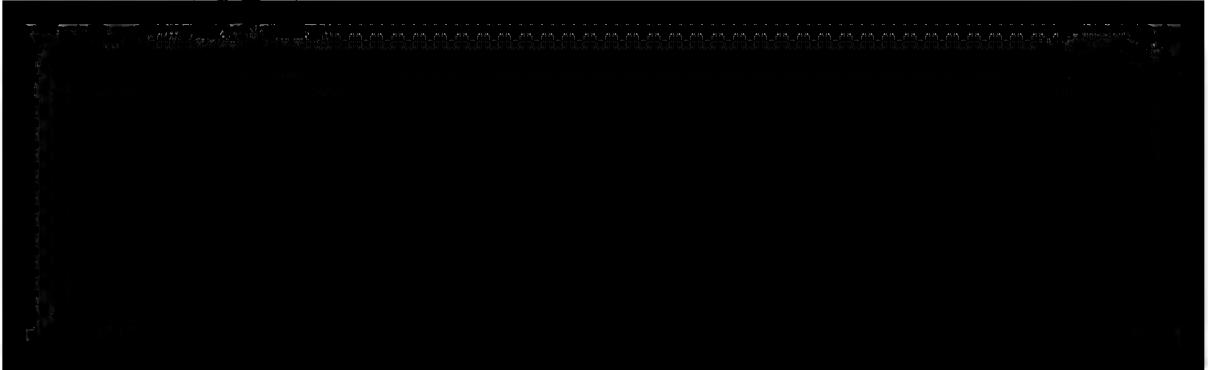
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actual legislative proposals were developed by the Office of the General
Counsel.*

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The Legislative Program, 1952-56

In 1952 a Legislative Task Force was named by the Career Service Board to look into the matter of legislation that would be required to accomplish an augmented benefits program. At that time the section in P.L. 110, the CIA Act of 1949, 143/ which provided for payment of hospitalization expenses for employees who incurred an illness or injury while overseas on permanent assignment, was dormant; it had never been used by the Agency.* 144/ The mission of the Task Force was to develop legislative proposals that would give the Director authority to extend to Agency employees a range of benefits befitting a professional career service whose members were rotated overseas in a manner similar to that of the Foreign Service of the Department of State. On 9 October 1953 145/ the Task Force issued its report which became the point of departure for the legislative program eventually submitted by the General Counsel in 1956. In digest, 146/ the Task Force recommended that the Agency

* There were also programs available to the Civil Service at large -- such as the Federal Employee Compensation Act and the Missing Persons Act -- which, while desirable and necessary, represented a king-size security problem to the Agency because of their administration by outside governmental bodies. An important part of personnel contribution to this aspect of the benefits and services program was the negotiating and maintaining of secure liaison arrangements with the Bureau of Employment Compensation (BEC) of the Department of Labor and the Retirement Bureau of the US Civil Service Commission. George [REDACTED] were the key staffers in establishing these relationships which have endured for 20 years.

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seek statutory authority for:

Extension of Medical Benefits for Overseas Employees and their dependents regardless of duty status.

Liberalized Civil Service Retirement based on accelerated credit for overseas service and full annuity at an earlier age than provided under the Civil Service Retirement Act.

Home Leave Benefits similar to those granted to Foreign Service Personnel; that is, one week for four months of overseas service without regard to other forms of leave upon completion of two years of continuous service.

Educational Allowances for minor dependents of overseas employees.

Immediate Death Gratuity of \$1,000 to survivors of deceased Agency personnel.

In its final report the Task Force advised against legislative proposals in the areas of job security, tenure, separation, and Career Service Structure, as being restrictive of the Director's administrative authority in these fields. It did, however, recommend amending the Performance Rating Act of 1950 to exempt CIA, which was accomplished by separate action with the Congress shortly thereafter.

In the ensuing years, these core proposals were expanded and augmented. The legislative proposal 147 forwarded to the Bureau of the Budget in 1956 as an amendment to the CIA Act of 1949 (P. L. 110) contained nine items dealing with travel of personnel (among other items in this category were their dependents, transportation of household goods, personal effects, and automobiles); four dealing with home leave benefits;

two with overseas hospitalization benefits for employees and dependents; and four with allowances, including educational allowances for dependents. One section dealt with "the most important benefit,"* that of accelerated retirement. The personnel administration role was continuous and supportive during the developmental phase. When the program was adopted, the monitoring of the administration of fringe benefits and the adjudication of marginal cases became the function of the Personnel Director and his immediate staff.** Case handling for the overseas medical, employment compensation, missing in action, and retirement cases was centered in the Office of Personnel as early as 1954, as was the

* In the many Career Council meetings on the legislative program, Lyman B. Kirkpatrick would very often inquire as to what was happening to "the most important benefit." The connotation down the line was somewhat different if it can be judged by the six or seven hundred people that the writer had in his management classes during the late 50's and early 60's. Many of these people connected the retirement efforts, about which very little was known, to the "701" Program leading to a state of mind that might be characterized by the question, "What are they planning to do to us?" Management on the other hand with ten years of effort in mind thought in terms that might be characterized by the expression, "Look what we are doing for you." The situation was a particularly unfortunate example of the communication gap that plagued personnel administration throughout this period.

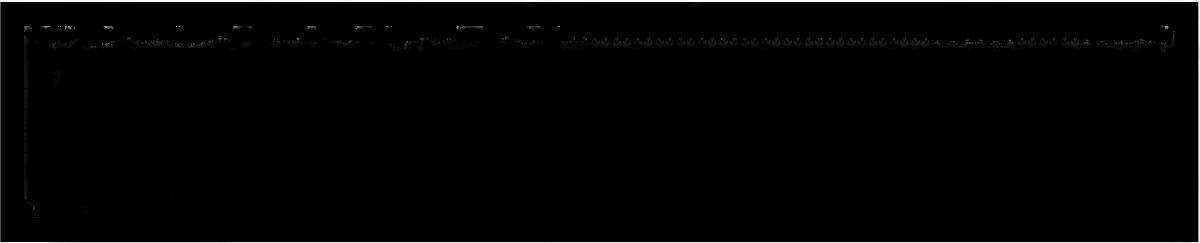
** See p. 148.

central processing of travelers.* These services grew to the point where a sizable proportion of the OP budget and people were assigned to them.**

25X1A * The work of the Central Processing Branch (CPB) founded in 1952 deserves more attention than can be given here. It is, however, described in the unpublished unit history of the Central Processing Branch, 1951-71, prepared by [REDACTED] in May 1971 and contained in the OP Historical Files (see HS/HC 554). Composed of people from the Offices of Personnel, Finance, and Logistics and headed by a Personnel Officer, CPB has given Agency travelers a central point of reference for their many personal problems at transfer time, and has been among the more important services given to Agency employees by central personnel administration. Some idea of the workload can be gained from the 1967 statistics, which showed 1,737 domestic and 2,008 foreign travel reservations made, some 2,724 new passports processed, and 3,122 invitee travel claims serviced in that year.

25X1A [REDACTED] served in the demanding job of Chief, CPB, from 20 November 1959 to retirement in 1970. [REDACTED] who 25X1A was the Agency authority on foreign travel for many years, served in the CPB from its founding in 1952 until her retirement in 1961, having been in this work since OSS days.

25X1A



Administrative Authorities Task Force, 1967

Benefits and services were kept under continuous study and review down through the years. In 1967 an Administrative Authorities Task Force was named by the Deputy Director for Support, Robert Bannerman, "to make sure that the travel expenses, allowances and other fringe benefits provided to Agency employees were as favorable as those provided in existing laws or in laws hereafter enacted for other government employees in similar circumstances." The Task Force was an outgrowth of a 23 August 1967 memorandum from the General Counsel and the Legislative Counsel,* to the Director of Central Intelligence 148/ pointing out the difficulty of keeping the CIA Act of 1949 updated and consistent with the laws governing other overseas personnel. The Federal government was really moving in this field and had not only pulled abreast of the Agency but in some areas had overtaken it. The General Counsel suggested that the Director had ample legal authority to adopt administratively the travel expenses, allowances, and fringe benefits of the Foreign Service Act, as amended, and -- for that matter -- any other laws. The Task Force proceeded to identify 30 study proposals covering travel, home leave, and other benefits, of which 12 were recommended for adoption and inclusion in Agency regulations. 149/

25X1A

* Lawrence Houston was the General Counsel and [redacted] the Legislative Counsel at the time.

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The major Office of Personnel contributions were at the study group level* and in incorporating the Task Force items approved by top management into Agency Personnel Regulations. Also in 1967 a major breakthrough was engineered by the Office of Personnel** when the Civil Service Commission consented to extend to US citizen contract employees the three major benefits of staff employment -- Civil Service Retirement, Federal Employees Group Life Insurance, and Health Insurance.

25X1A



** The extension of coverage grew out of a mistake by the Civil Service Commission in issuing a new Federal Personnel Manual instruction (FPM). The CSC intended to exclude contract personnel in the FPM but in attempting to define that status inadvertently included them. The mistake was corrected but formed an opening wedge for OP to present its case for coverage. [REDACTED] Chief of Contract Personnel Division, OP, and [REDACTED] Chief of the Benefits and Services Division, were the engineers of the breakthrough. 150/

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The "Most Important Benefit" -- Early Retirement,* 1950-64

Three phases were distinguishable in the 12-year effort to obtain liberalized retirement benefits. As early as 1950 [REDACTED] 25X1A

25X1A [REDACTED] at that time the Acting "Executive" of the Agency, was exploring an approach based on comparability to the law enforcement agencies, particularly the Federal Bureau of Investigation. 151/ In its staff study on the subject the Legislative Task Force stressed the concept of overseas service being hard on the individual and came up with the accelerated retirement credit idea proposed as an amendment to the Civil Service Retirement Act. The essence of this proposal, which was incorporated in the legislative program forwarded to the Bureau of the Budget in 1956, included one-and-a-half year's credit for each year served overseas and two years for service in a hardship post, a minimum age of 50, and special credit for service in CIA since

25X1A * The earliest reference that the writer found to retirement benefits was a memorandum dated 16 August 1950 (OP Historical Files) from [REDACTED] 25X1A
25X1A [REDACTED], Acting "Executive" of CIA, to [REDACTED] Chief, Retirement Division, Civil Service Commission. Referring to a previous conversation between Personnel Director Kelly and [REDACTED] inquired 25X1A as to whether the language of the National Security Act of 1947, which 25X1A stated that the Agency would have no police, subpoena, law enforcement powers or internal security functions, would bar Agency officers from retirement after 20 years of service, "as authorized for officers or employees the duties of whose positions were primarily the investigation, apprehension or detention of persons suspected or convicted of offenses against the criminal laws of the United States." Evidently 25X1A in asking the question, [REDACTED] answered it because the Legislative Task Force started off on a new track in 1952. 25X1A

its founding in 1947, with service in territories and possessions to be counted. 152/

To the Agency proposal the Bureau of the Budget (BOB) responded sharply and unfavorably with six counterproposals:

There must be a minimum time spent overseas in order to qualify. Ten years was suggested as a minimum with possible compromise at nine years.

There must be a minimum time spent in total government service. Twenty years was suggested.

The "bonus" and the regular time must not aggregate more than two percent. Thus for each year spent in overseas service, four, rather than six months, would be granted.

In order for retirement to be granted to any person retiring between ages 50 and 60, the Agency must involuntarily separate the employee. It was suggested that the Director use his special authority in Section 102(c) of the National Security Act of 1947. Retirements at age 60 or above would not require involuntary separation.

Application was to be limited to service outside the continental U.S., its territories and possessions. 153/

At this point there was a draw. The Council was not willing to accept the BOB counterproposals. There were studies being made of retirement in the government at large that hardened the BOB position.* The Council decided to withdraw the retirement proposal from the rest

* The so-called "Kaplan Bill" sponsored by the Civil Service Commission was being considered in the House; and on the Executive side, the White House Task Force on Foreign Operations (the Duflon Committee) was examining the entire problem of Federal overseas employment. 154/

of the legislative package. 155/ It was placed on the back burner until the advent of Gordon Stewart as Director of Personnel, when a new approach was taken, one based more on the needs of the service than on the needs of the individual, an approach suggested by the professional manpower studies of the 1959 period and by the surplus personnel problem of the Clandestine Services. What finally emerged was a legislative proposal based on these objective factors; it proved more palatable to both the Executive Branch and the Congress. 156/

The passage of the CIA Retirement Act in 1964 was a milestone in the history of personnel administration.* Membership in the CIA Retirement and Disability System (CIARDS), as subsequently established, 157/ offered many advantages over the Civil Service Retirement System. The annuity was to be computed on a straight two percent of the "High Five" (changed in 1969 to the "High Three" to correspond with the rest of the government) with service credit given for civilian and military service as normally authorized in the Civil Service System. There had to be, however, five years of "qualifying" Agency service as defined by one of three tests, 158/ one of which required overseas service in the conduct or support of covert activity. There was provision for voluntary

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* Emmett Echols, Director of Personnel, ██████████, Executive Officer, OP, and ██████████ of the Office of the General Counsel were the principal architects of the final legislation and of the administrative regulations. People at the technical level in the Office of Personnel were not consulted. As a result, certain difficulties in interpretation of terminology were encountered that could have been avoided by prior consultation.

retirement at age 50 with 20 years of Federal service including five years of "qualifying" service without reduction in annuity and for mandatory retirement at age 60 except for GS-18's, who legally could go to age 65 but were nonetheless expected to turn in their papers at age 60.

The Director was given the authority to retire, at his discretion and involuntarily, people who had completed 25 years of service and were at least 50 years of age. It was estimated at the time that 30 percent of the Agency might be eligible to be designated as participants in CIARDS. Armed with Agency Regulation [redacted] April 1963, the Director of Personnel, assisted by the newly established CIA Retirement Board, set out to find them. At the year's end -- 1964, that is -- the mechanics for establishing those eligible to participate in CIARDS were already functioning, and the job of organizing the full range of operations involved in administering the system had been accomplished. One chore involved the review of the service record of everybody in the Agency who was at least 25 years of age, had not reached his 60th birthday, and had completed five years of Agency service; this had to be done in order to determine who among them might be designated. By realignment

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* As of this writing (October 1971) there were [redacted] people in the system, and survivor benefits were being paid to 176 widows and dependent children of deceased members. CIARDS was being administered entirely within the Agency.

of both organization and assets, the Office of Personnel moved to meet this new requirement.*

CIARDS was a tremendous breakthrough in Agency personnel administration, but the fact of the matter was that most employees remained under the Civil Service Retirement Act because of lack of sufficient overseas duty.** CSC retirees too required technical and counseling assistance although their administration after retirement would be handled by the Civil Service Commission. 159/ The major issue with this large group involved the so-called voluntary-involuntary retirement policy, by which employees were "expected" to retire when eligible for full annuity based on age and years of service, or age 60 with 30 years.*** Legislative changes in 1966 changed the basic Civil Service formula on retirement without penalty to age 55 with 30 years of service and age 60 with 20 years. 160/ At that time age 60 was adopted by the

* See source 140 for a statement on steps taken.

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** Two-thirds of the Agency, in round numbers about [REDACTED] people, could not qualify for CIARDS, including almost the entire Directorates of Intelligence (DDI) and of Science and Technology (DD/S&T), most of the DDS group and, indeed, a large number in the DDP.

***It was the policy to notify people by letter five years in advance of their scheduled retirement date. When 60 became the policy age a number of individuals who held letters based on the age 62 formula had their retirement dates moved up, some by as much as two years. This group, who were known as the two-letter men, were continued until their original scheduled retirement date, if they so desired, by decision of the Executive Director-Comptroller.

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Agency as the policy age at which the employee was expected to retire. The voluntary-involuntary policy on retirement age was a very controversial one throughout these years, one which aroused strong emotions, particularly among people in the elements on the overt side, who felt that the arbitrary age for retirement was being forced on them by the operational side of the house. As a result, the development and implementation of this Agency policy occupied center stage in the efforts of the Personnel Director and his staff and throughout the late 60's.*

* Refer to Support Services Historical Series, OP-4, The Development of Retirement Policy in the Central Intelligence Agency, 1947-68, 25X1A [redacted] June 1971, for a full description of the Agency retirement controversy and for the background and development of the CIA Retirement Act of 1964.

The Insurance Program, 1948-66

The Agency's life insurance program began with a group life plan underwritten by the War Agency Employees Protective Association (WAEPA) which stemmed back to OSS days.* Two group health plans were in existence in the late 40's, one underwritten by Group Health Insurance, Inc. (GHI) which offered good coverage to the employee but little security for the Agency since the underwriter insisted on having name lists and adjudicating claims. Another plan, that of the Mutual Benefit Health Association, offered good security to the Agency -- the underwriter, Mutual of Omaha, was willing to pay claims based on Agency certification against a policy number -- but their policy was not so advantageous to the individual from the standpoint of cost and coverage.** In addition,

25X1C

[REDACTED] the Government Employees Health Association (GEHA) had been set up in June 1948 under the laws of the

* This account is based on the draft MSS of the history of the Insurance Branch, Benefits and Services Division, Office of Personnel, William [REDACTED] in the OP Historical Files.

25X1A

** [REDACTED] Employee Relations Officer, OP, had been given the assignment in late 1947, early 1948, to find an underwriter who would accept the Agency's terms on handling of group health policy. The original group which met on the problem after [REDACTED] exploratory work consisted of [REDACTED] for Mutual of Omaha; and for CIA Sheffield Edwards, OS, [REDACTED] OS, William Kelly, OP, and [REDACTED] OP.

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District of Columbia* as the agent to administer the finances and make the collections for all three plans. Then in 1952, a new health insurance plan was negotiated with GHI by the Comptroller and the Office of the General Counsel (OGC)** which improved the security arrangements somewhat, but not sufficiently to permit participation by members of the Clandestine Services (CS). This plan was offered to overt employees in August 1953 at which time the administration of the insurance program was turned over to the Personnel Office with Personnel Director George Meloon instructed by the Assistant Deputy Director, Administration (ADDA) to take the necessary action for the added responsibility. 161/ "Personnel's" major role in the administration of the Agency insurance program began with that instruction.

On the policy level, an Insurance Task Force was formed in September 1952 to bring top-level weight to bear on the problem in the context of the Career Program, and this group established assumptions which have guided the program ever since.

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** Edward Saunders was the Comptroller at that time and [REDACTED] represented the OGC.

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That the Agency from the point of view of constructive personnel administration has a deep interest, if not obligation, to assist its employees to meet life's more serious exigencies, whether imposed by mission or not.

That there exist unique security problems for the Agency in the field of life and disability insurance.

That the Agency desires for its employees to take advantage of existing benefits commonly extended only to groups as such -- or to create appropriate new benefits.

That the Agency adopts the principle that over and above present available benefits, the employee is responsible for securing himself, with his own means, the needful life and disability protection.

This was a crisp group,* and in its final report (July 1954) the Task Force presented not only recommendations but a course of action that could be approved in short order by the Board. 162/

As to disability, the Task Force recommended that the Agency accept and offer to its employees a new hospitalization plan which the Task Force had originated and worked out with the underwriter, Mutual Health



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Benefit and Accident Association (MBHAA), having reviewed and rejected both existing plans -- one with Mutual of Omaha and the other with Government Group Hospitalization, Inc. (GHI)* -- because neither plan offered enough or related their premiums to specific Agency experience. It was time, said the Task Force, that the Agency used its considerable leverage represented by the group of relatively young, carefully selected employees to seek special consideration.

As to life insurance, the recommendations of the Task Force were to:

Offer all Agency staff employees and staff agents the opportunity to secure group term life insurance with conversion privileges and premium waiver for disability. Salary levels would determine amount and cost of coverage.

Add \$15,000 accidental death coverage.

Provide in the plan for the same exclusion leeway, that is, travel in non-scheduled airlines, military type duty as were in the War Agency Protective Association Contract (WAEPA), with the same procedural security handling (payment by Agency certification against a policy number) as the Omaha Mutual Benefit Health and Accident Association then offered CIA in the hospitalization field.

Put the plan up to United Benefit Life Insurance Company of Omaha, Nebraska for their firm offer as to premiums and do likewise with WAEPA.

The United Benefits Life Insurance Company (UBLIC) was selected as the underwriter for the term life policy which became effective 1 August 1954. The MBHAA plan of health insurance was greatly improved over the

* The GHI relationship was finally terminated on 31 December 1956 after unsuccessful efforts to establish more secure handling of Agency claims and to improve coverage.

then existing Mutual plan and was offered at the same time. 163/ The Agency thus embarked on the course it was to follow from then on out, one that led to continuous improvement and expansion of coverage even after the entrance of statutory programs into the field,* as the Agency sought to assist its employees in meeting family and personal contingencies without penalty for the unusual conditions of their employment. For the next ten years, or until the programs leveled out in 1966-67,** the central Office of Personnel played a strong leadership role, constantly improving coverage and updating the various plans, and perhaps most important, keeping the program on target from the standpoint of maximum service to the Agency.

Insurance became a big business in CIA -- in 1966 UBLIC had some 25X1A ~~over 100~~ policies and \$88,357,000 worth of insurance in force 164/ -- but there were internal stresses and strains resulting from this growth. GEHA, the association formed as an administrative and legal vehicle for the various insurance plans, became a potent organization in itself and

* The Federal Employees Group Life Insurance (FEGLI) Act of 1954 and the Federal Employees Health Benefits Act of 1959.

** Types of insurance coverage listed in the Insurance Branch Annual Report for FY 1966 were UBLIC, WAEPA, Contract Life, Air Flight, Military Air Flight, Flight and Accident Plan, Emergency Travel, Income Replacement, Specified Diseases, Contract Hospitalization, and Federal Association Plan Hospitalization. The listing does not tell the whole story. UBLIC, for example, face value had been doubled since 1956 and dependents added to the coverage without additional premium.

one that was perfectly capable of arguing with its parent, the CIA, on an equal basis. There was a real donnybrook in 1956 on the subject of risks which were to be assumed by GEHA on life insurance for the U-2 pilots. The Association felt that the additional premiums warranted by the high risks should be paid to GEHA by CIA and not taken by the entire GEHA group with subsequent raising of everybody's premiums. A solemn agreement was ratified between the Acting Director of Personnel for the Agency and the Chairman of the Board for GEHA which provided for the establishment of a \$100,000 reserve by means of specialty premiums at the initial rate of \$1,000 per high-risk employee per year to be paid by the Agency to GEHA.*

Odd though it was, in retrospect, to have a legal contrivance of CIA, whose officials were CIA employees, making formal contracts with the CIA as legal equals, the gambit turned out quite well . . . CIA receiving repayment eight years later of some \$90,500 for the \$107,000 it had paid in specialty premiums.** The uproar caused over the insurance of the U-2 pilots also served to re-establish the principle that GEHA was in existence for service to everybody in CIA, low risk and high risk

* This event occurred during the final years of Harrison Reynolds's regime when Reynolds was ill (see p. 98) and when ██████████, Chief 25X9 of the Management Staff, a very strong-minded and corporate-type executive, was Chairman of the GEHA Board.

** Two death claims were paid from the reserve which were almost covered by the interest accrued.

alike; and no such sequestering of risks was ever again attempted. Problems of divided responsibility continued to cause trouble between the Director of Personnel and the President or Chairman of the Board of GEHA, but they were irritations more than anything else, such things as GEHA officials dealing directly with the underwriter and the sharing of the business expenses of the Insurance Branch.* 165/

If there were doubts about who was in charge of the insurance program, there were none at all about the responsibility for administering it. This honor was conceded to belong to the Office of Personnel.** Nothing administrative was ever simple in CIA, and the insurance program was no exception as illustrated in a rather rueful statement taken from the annual report of the Insurance Branch for 1966.



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* As late as 1963, GEHA was reimbursing the Agency (Office of Personnel) for the equivalent of a GS-07. From that modest start GEHA is now (1971) reimbursing CIA for 16 of the 34 people in the Insurance Branch, a split based on expenses attributable to cover and security reasons.

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Not only was the administration complicated, the insurance programs became quite intricate and difficult to explain. Instructions to the employees were, when offered, elaborate and technical and somehow did not register, judging by the sometimes sharp criticisms of the Inspector General in his various surveys of the Office of Personnel and by the belated discovery on the part of some individuals of coverage available which they would have had before personal crisis struck. Perhaps the Office was at fault and perhaps it was human nature that was at fault. Whatever the cause, the problem of communication within the Agency 166/ was a constant challenge to the Office of Personnel in its administration of an outstanding program of insurance coverage.

The Services Program

Casualty Assistance. The third major program by which the Agency administered to the human side of the equation consisted of a collection of endeavors in the central personnel office, the most dramatic of which grew out of the many problems resulting from casualties to Agency employees. Death, illness, and accident -- all the normal hazards of life and in a few cases the abnormal hazards such as capture and violence -- were present even in the highly selective group of people that the CIA assembled to perform its stern mission. Employee emergencies, as they came to be called in the categorical language of administration, represented a very serious problem both to the Agency and to the individuals who suffered them, and a unique program of casualty assistance was developed to meet these emergencies. Some of these casualties stemmed from spectacular and well-publicized events, and by that very fact they required extreme care and perception in their handling. Starting in 1952 with the capture of two staff employees by the Chinese Communists, a succession of events such as the U-2 shoot-down in 1960, the Bay of Pigs in 1961, the bombing of the Embassy in Saigon in 1965, and others that did not reach the press left in their wake a residue of personal and family tragedy demanding Agency assistance

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with a strong assist from the Office of Security, whose representative usually drew the unhappy task of informing next of kin.

Casualty assistance began at the time of receipt of information of the casualty from the field station, when the moment of truth, as well as the survivors, had to be faced. The notification of next of kin was in itself a sensitive matter and could become as much of an emergency to the Agency as it was to the survivors. 169/ The function of the personnel duty officer was to act as a focal point for the operating component, the Office of Security (OS), and the Cover Division; to review the case, making a determination as to whether the family was witting or unwitting; and to formulate the plan of action to be taken.* Agency policy was to deliver the word in person by means of the nearest Agency representative, usually the OS man in the area. At that time the family was furnished with an Agency telephone number and the name of the Personnel Officer who would assist them in settling the Agency affairs of the deceased. Inasmuch as Agency affairs were more encompassing than in most organizations and included life insurance, health insurance, employment compensation claims, and survivors' annuity, the assistance

* In 1967 a policy of casualty planning was adopted by which project officers in charge of hazardous or sensitive projects were asked to develop as part of the project outline a casualty plan which would establish how notifications were to be made, to whom notifications were to be made, whether they were witting or unwitting, and other guidance that had, prior to the establishment of the concept, been developed on an emergency or crash basis. 170/

was on a broad basis. The following excerpt in the laconic language of the annual report of Casualty Affairs Branch (FY 1966) provides some insight to the magnitude of the problem.

In Fy 1966 there were 46 employee and eight overseas dependent deaths. Four of the employee deaths and a "missing in action" case were in performance of duty and thus required the processing of claims with the Bureau of Employment Compensation, Department of Labor for dependent benefits. Two of

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[REDACTED]

There were eight deaths of dependents of Agency employees overseas requiring action in notification of next of kin and assisting in the return and burial of the remains. In settling the affairs of deceased employees it was found that 39 had FEGLI (Federal Employee Group Life Insurance) and the amount of insurance paid in these cases was \$510,000. In addition, thirteen had UBLIC coverage in the amount of \$198,000, and six had WAEPA insurance totaling \$128,864.83. Seven field trips were made in the United States to settle the Affairs of deceased personnel.

On a less terminal note, there were [REDACTED] under

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the Overseas Medical Program 171/ in FY 1966 and 185 new claims processed to the Bureau of Employment Compensation, Department of Labor, 172/ each representing substantial assistance to employees in keeping with the guiding principle followed in casualty affairs matters, "How would you want your family or yourself to be treated in these circumstances?" The objective of the Casualty Affairs Program was -- in the words of

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[REDACTED] its long-time Chief -- to furnish "an absolute guarantee to all employees that if something happens to them their families will be given all possible help and everything they are entitled to by law with a minimum of effort on their part." 173/

Honor and Merit Awards.* As true of many Agency personnel programs, the concept of Agency Honor and Merit Awards came out of the Career Program and was developed with a unique flair by people who were not in the personnel business.** The basic problem was philosophic. How can valor be recognized if no one knows that recognition has been given? How does an agency of the government go about recognizing heroic actions under combat conditions in countries where the United States is not supposed to be engaged, and under circumstances whereby identities cannot be published even within the four walls of the Agency? Reward for meritorious service, however, did not present quite such a contradiction although security restrictions were involved there also. No answer was ever really found to the riddle. Successive DCI's and their Deputies, by their individual attention to and presentation of Honor and Merit Awards, attempted to overcome the basic difficulty by means of formal award ceremonies to which close Agency associates and

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* This segment is based on [redacted] draft MSS of the history of the Honor and Merit Awards Board which is available in the OP Historical Files.

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** Colonel [redacted] USA (Ret) was the first Chairman of the Agency Honor Awards Board serving from 1953 to 1956 and remaining active as recorder until his retirement in 1970. [redacted] a 25X1A heraldry expert, was retired from the Army on combat disability, entered the Agency in the Office of Special Operations, and subsequently served on the FI Staff from whence he watched over the Honor and Merit Awards program with a devotion that could be compared only to that which Dr. [redacted] exercised toward the Junior Officer Training Program (see p. 31)

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immediate family members could be invited. Occasional publicity, usually statistical, in internal publications such as the Support Bulletin was also employed to pass the word about the Agency's nameless heroes.

It all began when a committee, in this case the Working Group on Honor Awards,* was named by the Career Service Board in 1952. The group's mission was stated simply and directly: to create an Honor Awards Program for the Central Intelligence Agency, one which would permit recognition of acts of valor and exemplary achievement not awardable under the efficiency award programs of the day. In approaching its task the group soon established the premise that there should be separate awards for valor, for achievement, and for longevity. In a final report, 174/ the Working Group proposed a Presidential Executive Order. In fact they included the draft of an Executive Order (EO) with their report; said EO would have established the National Security Cross for Valor, the National Security Medal for Distinguished

* The Working Group on Honor Awards consisted of:

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Office of Special Operations, Chairman
Office of Collection and Dissemination
Inspection and Security Office
Office of Policy Coordination
Personnel Office
Office of the General Counsel
Office of the Deputy Director
(Administration)

Achievement, and the National Security Medal for Meritorious Achievement.

The draft of a CIA Notice on the subject of the Ten Year Service Personnel was also appended.

The Working Group's recommendations, while not followed to the letter, formed the framework of the Honor and Merit Awards Program, as it subsequently developed within the Agency. In this instance the decision was to use statutory 175/ rather than presidential authority and to place the program under the guidance of an Agency Honor and Merit Awards Board (HMAB).* 176/ At the very heart of the program were four awards originally established in 1955 177/ which, with some adjustments in definition, have been retained down through the years. The Distinguished Intelligence Cross (DIC) is the Agency's supreme award for valor. The Intelligence Star (IS) is next in order of valor awards. It was liberalized in 1966 by replacing the term "heroism" with "acts of courage performed with distinction under hazardous conditions . . . (or at) grave personal risks." The highest rewards for merit were established as the Distinguished Intelligence Medal (DIM) with the Intelligence Medal of Merit (IMM) next in precedence.

* The Working Group was succeeded by an Agency Honor Awards Board (eventually Honor and Merit Awards Board) (HMAB) which has continued to this day with membership changed periodically. The Director of Personnel has been ex officio chairman of the HMAB since 1956 and its members have been taken from each major Directorate. The Office of Personnel furnishes the Executive Secretary and the staff support for the HMAB.

The Honor and Merit Awards Program gained acceptance slowly. During the first two calendar years in which the program operated (1954-55), only eight awards were made of which six were for merit. The lack of recommendations for the Intelligence Medal of Merit (IMM) was particularly disappointing so that in 1955 a new award, the Certificate of Merit (CM), was added, and for the first time an emolument of \$100 was added.* Despite the addition, the recommendations for awards still lagged with a 50-percent drop to a total of 14 in 1958. In reviewing the situation the HMAB concluded that a more graduated scale of merit awards was needed, and a Certificate of Merit with Distinction (later changed to Certificate of Distinction) was added above the Certificate of Merit. The limited use of valor awards led to a new definition for that term, to wit, "superior action under unusual conditions, including acceptance of hazardous conditions," later changed in 1966 as described previously. With these additions and changes, the program gradually gained momentum. The various crises of the 60's, the Dominican Republic revolt of 1965, the bombing of the US Embassy in Saigon in the same year, and the Tet Offensive of 1968 added their impetus and took their toll.

* Opinion has always been divided in the Agency on the subject of emoluments for Honor and Merit Awards. In the first three years after the Certificate of Merit with Distinction was established, money was given with all of the 38 awards. There was a tapering off in the use of monetary awards for merit, and in 1966 the practice ceased completely.

A box score for the principal awards showed the following totals in 1970:

	<u>FY 70</u>	<u>Totals to Date</u>
Distinguished Intelligence Cross	0	0
Distinguished Intelligence Medal	5	73
Intelligence Star	3	81
Intelligence Medal of Merit	50	348
Certificate of Distinction	69	419
Certificate of Merit	48	297 <u>178/</u>

Behind the dry statistics of the valor awards were flesh and blood acts of heroism on the part of Agency employees* worthy of comparison with those of their colleagues in the military services.** In 1967 two additional awards were added largely as a result of the Southeast Asia involvement. 179/ The Exceptional Service Award, the Agency's

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** Secure ways were found by the Mobilization and Military Personnel Division, OP, to obtain military decorations for members of the Armed Services detailed to the Agency. See Support Services Historical Series, OP-5, Mobilization and Military Personnel Division, 1947-70

25X1A by [redacted] September 71. S.

Purple Heart, was established for injury or death in the performance of hazardous duties or as a result of actions by forces or persons hostile or unfriendly to the United States with 61 awarded as of December 1970. The Certificate of Exceptional Service, the Agency's Area Ribbon, was established for effective performance of duty while serving under conditions of hazard or extreme hardship. Most of these awards and all the valor awards went to members of either the Clandestine Service or the Support Services -- and in the latter case to members of the Office of Communications and the Office of Logistics -- whose personnel had the maximum exposure. Representatives of these offices kept the radios

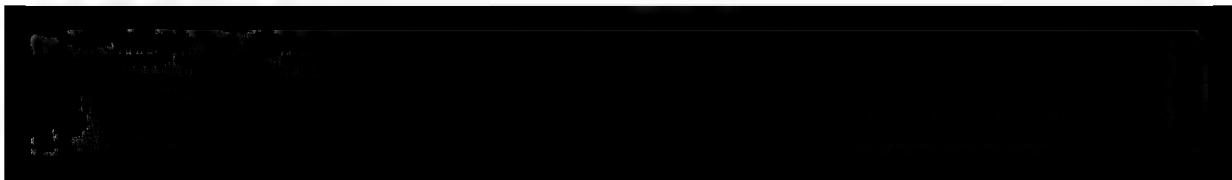
25X1C1 operating, [REDACTED]

25X1C [REDACTED] performed their duties amidst coups, uprisings, and not so cold wars all over the world, many times putting their lives on the line as demonstrated by the tragic fact that several of the awards have been posthumous. The meritorious service awards on the other hand were distributed more evenly throughout the major segments of the Agency. The role of central personnel in these programs has been to furnish the system and the procedures. The awardees furnished the deeds of valor and the meritorious service. It is unfortunate that no way was ever found to tell their story, if not to the world, at least to the members of the Central Intelligence Agency.

Suggestion and Invention Awards Program. On a less heroic note, the Suggestion Awards Program was designed to encourage improvement suggestions by Agency employees. The diversified CIA, with its many problems of process and method and its technical gadgetry, appeared to offer a particularly good opportunity for the exercise of yankee ingenuity, but at first this was not recognized by the Agency. There was a program of sorts called the Meritorious Awards Program as early as 1948, but the grand total of 89 suggestions received in the years between 1949 and 1952, with 16 adopted, was not exactly a record-breaking performance. Then in 1956, some two years after government-wide legislation 180/ opened up the cash-awards field, a Task Force* was named by the Career Council to examine both government and industrial programs and to get things moving in the CIA.

The Task Force dutifully recommended the creation of a comprehensive system of awards in tune with those of the rest of the government, such a system to be placed under the direction of the Deputy Director for Support, who would assist and be assisted by the Suggestion Awards Committee. 181/ The Chief of the Management Staff was given the immediate supervision of a suggestion awards element dealing with suggested improvements in the fields of efficiency, morale, safety, and

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security to be operated separately from the Honor and Merit Awards element. If it did nothing else, the Task Force generated some attention to the program and some top-management interest in providing a channel for employee ideas. An increase in the quality, if not the number, of suggestions followed therefrom. In 1956 volume dropped to 541 from a peak of 863 in 1955, but 117 suggestions were adopted for a rate of 22 percent as against a 5-percent rate in 1955. In July 1956 an Inspector General survey of programs assigned to the Chief of the Management Staff had serious fault to find with the Suggestion Awards Program, specifically naming its reputation for delay, for biased evaluation, insufficient publicity, superficial consideration of suggestions, and omission of the field from the program. 182/ The IG's report led in 1957 to the adoption of new administrative rules and the discontinuance of suggestions on requests for supplies and equipment, and proposals for normal maintenance and administrative improvements. The rule change, and some staff additions, resulted in new approaches and better quality suggestions and set the trend for the program from then on.* As intelligence collection and production became more technical, so did employee suggestions. In 1961 the development was recognized by the addition of special provisions, over and above the Suggestion Awards, for patentable inventions or

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* [REDACTED] currently (1971) Executive Secretary of the Suggestion Awards Committee and Agency Incentive Awards Officer, became associated with the program in 1958 as a member of the Management Staff and has furnished the spark and continuity for the program ever since.

inventions which, because of their sensitivity, were placed under secrecy orders. The program became the Suggestion and Invention Awards Program. 183/ With the abolishment of the Management Staff in 1961, the Director of Personnel was named as the Permanent Chairman of the Suggestion Awards Committee, and the Agency Incentive Awards Officer was located organizationally in the Office of Personnel. The program continued to operate through a network of Coordinators and Panels in the various components, headed by the Suggestion Awards Committee* and tied in closely with the Agency Patent Board and somewhat less closely with the Civil Service Commission and outside Suggestion Systems groups insofar as security restrictions permitted.

Although a little late in getting into it, the Agency has stayed in the main government stream on suggestion awards. The CIA system of awards was pegged to a schedule based on tangible and intangible benefits to the government, in accord with the government-wide plan supervised by the US Civil Service Commission. As might be expected there has been a CIA flair to the Agency program. The manifold need

* Also in 1961 a delegation of authority for the various awards levels was established: Chairman, Suggestion Awards Committee, through \$50; The Suggestion Awards Committee, \$51 through \$300; the Deputy Director for Support, through \$1,000; and the Director of Central Intelligence, beyond \$1,000 through \$5,000. Awards beyond \$5,000 through \$25,000 were subject to the approval of the Civil Service Commission. Several awards above the \$5,000 level because of their sensitivity have been approved by the DCI, using Section 8 of the CIA Act of 1949 as the legal authority, without reference to the Civil Service Commission.

for technical, security, and photographic devices represented a field day for employees with an inventive turn of mind.* International events, the capture of the Pueblo, the kidnapping of diplomatic personnel, and aircraft hijackings, to name a few, were occasions for suggestions on countermeasures, such as methods for instant destruction of classified material. Of 427 suggestions proposed in 1967, for example, 331 were declared eligible for evaluation. The adoption rate was 30 percent, with cash awards for 89 and certificates for 7. The total amount paid was \$28,780, making the average cash award \$323. Tangible benefits to the government were estimated to be \$842,060. Included were several major awards:

25X1A \$3,500 to [REDACTED] of the National Photographic Interpretation Center (NPIC) for devising the Photo Mosaic Indexing Program.

25X1A \$5,000 to [REDACTED] while assigned to an administrative post in the DD/S&T for a concept that led to a research project of exceptional value to the Clandestine Service.

25X1A \$4,400 to [REDACTED] Office of Logistics, and

25X1A [REDACTED] Office of Computer Services, for their development of a technique which eliminated the end of the line hyphen in computerized photo composition, thus saving program time which would have been needed

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* See the unpublished manuscript by [REDACTED] on the Suggestion and Invention Awards Program, 1948-70 (HS/HC-553), which mentions the National Photographic Center; the Office of Communications; the Office of Security, including the US Special Police; the Records Integration Division, the Technical Services Division; the Office of Logistics; and the [REDACTED] as being particularly fine performers in the Suggestion Awards area.

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25X1A for the development of hyphenation rules and a computer type dictionary. The [redacted] technique was released to other government agencies and was also published in a printing trade magazine.*

Not all awards were for technical achievement. Several proposals concerned the formation of "Think-Tank" or "Futures-Staff" groups to ponder the course of events and consider how the Agency might meet the challenge of the future. The largest single area for suggestion has been that of forms and procedures, with Agency employees showing good awareness of the necessity for thinking while they carry out the daily routine. The Suggestion Awards Program has given them both the machinery for doing so and a constructive means of questioning the "why" of things while staying within the system.

Public Service Awards. In 1957 factors of morale and prestige led the Agency to reverse previous restrictions on employee participation in external awards programs. In that year the Career Council recommended -- and General Cabell, the Deputy Director of Central Intelligence, approved --

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* Another teamwork achievement was awarded in March 1969 to [redacted] of the Office of Logistics and two Army Materiel Command Officers for their initiative and unusual technical competence in salvaging a large quantity of unserviceable ammunition. Their analysis and testing produced new findings and solutions which resulted in the largest first-year cost-avoidance record in the history of the Suggestions Awards Program -- \$3,900,000. This breakthrough occurred at a time when ordnance materiel was in critically short supply. A total award of \$10,000 was approved, with the major share, \$5,200, going to Mr. [redacted] for his leadership in carrying the project through to completion.

four programs for the Agency*; but the starting point for the so-called Public Service Awards really did not come until 1960, the year in which the Agency had its first successful nomination. Lyman B. Kirkpatrick, at that time the Inspector General, was awarded one of the ten Career Service Awards given annually by the National Civil Service League. In 1960 a fifth program, the Federal Women's Award, was added and in 1965 25X1A it was awarded to Agency careerist [REDACTED] of the Office of Research and Reports. A total of 11 programs were eventually listed and over the years since 1960 the Agency made 50 nominations, resulting in 20 awards. 184/ CIA candidates have been most successful with the

* This account is based on a manuscript entitled "Public Service Awards" (HS/HC-352, 5 February 1971). The four award programs were:

National Civil Service League Career Service Awards (Minimum of ten years of Federal Service, including military). Ten awards annually.

Arthur S. Flemming Awards (Under 40 years of age; administrative, scientific, and technical fields).

William A. Jump Memorial Awards (Under 37 years of age with considerable service in public administration).

Rockefeller Awards (Between 45 and 60 years of age with a minimum of 15 years of Federal Government employment in administrative; foreign affairs or internal operations; or in science, technology, and engineering).

25X1A ** President Johnson appointed [REDACTED] to the Federal Tariff Commission on 13 July 1965. She returned to the CIA in June 1970 as a member of the Board of National Estimates.

National Civil Service League, winning awards from that group in eight of the 11 years in which the Agency has participated.* Director of Personnel responsibility in the area of Public Service Awards has been a staff and coordinating one -- informing the Executive Director and the Deputy Directors of invitations to participate received from the various groups, performing the staff work for nominations declared to be eligible by the senior officials, and forwarding proposed nominations to the Director of Central Intelligence with supporting staff papers. 185/

The Agency Credit Union. Originally fostered by the Personnel Office to assist young clerical employees in the first weeks of their employment,* the Agency Credit Union has grown dramatically in in both assets and range of loan services since its founding in 1947. 186/

* In addition to the 1960 award to Lyman B. Kirkpatrick, Civil Service League Awards went to Sherman Kent, Director of the Office of National Estimates in 1961; to Arthur C. Lundahl, Director of the National Photographic Intelligence Center (NPIC) in 1963; to [REDACTED] 25X1A the United States Intelligence Board (USIB) in 1964; to Richard Helms, at that time the Deputy Director for Plans (DDP) in 1964; to Lawrence K. White, Executive Director-Comptroller in 1969; to Lawrence R. Houston, the General Counsel, in 1970; to R. Jack Smith, the Deputy Director of Intelligence (DDI) in 1971; and to Thomas Karamessines, the DDP, in 1972.

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25X1A ** [REDACTED], veteran personnel officer, who in 1947 was the one-man Employee Relations Section in the Personnel Office, played a strong, if behind the scenes, role at the working level in pushing for the re-establishment of the Credit Union after the demise of the OSS-SSU, according to William J. Kelly, the Agency's first Personnel Director, in an interview on 10 November 1970. Edward R. Saunders, the Comptroller, was the first President of the Credit Union and played a prominent role in its early days.

By the end of that year, when it was about six weeks old,* the CIA Credit Union, as it was then called, had 121 accounts and total assets of \$2,762. Twenty three years later, in December 1970, the Northwest 25X9 Federal Credit Union had [REDACTED] accounts and total assets of \$23,014,316,** with \$20,198,556 of that amount in \$5 par value shares earning 6 percent 25X9 interest for some [REDACTED] employees. Loan policy had expanded to cover cars, trailers, planes, boats, mobile homes, and all the accouterments of the affluent society of which Agency employees were very much a part. The two main purposes of the Credit Union were being served -- it provided a convenient loan service at a reasonable rate of interest and it afforded employees an opportunity to accumulate savings and have these savings earn competitive interest rates.***

The role of the Director of Personnel in the affairs of the Credit Union has been what might be called one of administrative "oversight"

* There were ten original subscribers according to the Unit History of the Credit Union, each of whom subscribed one share. They were Phyllis [REDACTED]

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Edward Saunders (then Comptroller of the CIG and first Credit Union President).

** A last-minute check by the writer in January 1972 revealed that during 1971 the assets had increased by another seven million dollars.

*** The savings aspect was facilitated by the passage on 29 June 1968 of the Federal Employees Payroll Deduction Act (Public Law 90-365), which provided for government employees to request allotments from their pay to financial organizations for savings purposes.

since the Union is self-governing* in accordance with the terms of the federal statute that controls its activities. 187/ Originally, Agency employees were assigned to handle the necessary clerical work,** but that day has passed and the Agency has for many years been fully reimbursed for the 25 full-time and the 12 part-time employees who do the work connected with the operation of this major employee benefit.

Bits and Pieces. Rounding out Agency efforts in the employee relations area, a number of programs related to welfare and recreation were developed over the years.*** The Public Service Aid Society (PSAS)

* The Credit Union is managed by a five-member Board of Directors, using the Federal Credit Union Act and the By-Laws as guidelines. The officers of the Credit Union, all of whom are elected by the Board, now consist of the President, First and Second Vice Presidents, Treasurer, and Secretary. [REDACTED] as Chief of Benefits and Services Division and later as Deputy Director of Personnel for Special Programs, has served as President regularly. There is also a three-member Credit Committee responsible for the approval or disapproval of loans and a three-member Supervisory Committee responsible for quarterly examination of the affairs of the Credit Union, including auditing the books. Statutory authority for government-wide supervision of the federal credit unions was placed by Public Law 91-206 with a newly established independent Agency, the National Credit Union Administration, on 10 March 1970.

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** In March 1952 [REDACTED] became the first employee of the Credit Union for whose services the Agency was fully reimbursed. He is currently the General Manager. The Credit Union is carried on the Office of Personnel T/O, and that office is responsible for its staffing. (See HS/HC-680, MSS, on the "Credit Union" for further information.)

*** Unpublished MSS studies in the OP Historical Files describe these programs in detail. They include "History of Welfare and Recreation" (HS/HC-551, 21 January 1971); "Review of Fund Drives" (HS/HC-662, 15 January 1971); "History of the Credit Union" (HS/HC-680, 11 November 1971); "History of the Personal Affairs Branch" (HS/HC-662, September 1971).

was established in 1953 to assist employees with financial emergencies resulting from illness, injury, or accidents which were beyond their resources. 188/ The Office of Personnel did the interviewing for PSAS. The Executive Officer, OP,* and later the Chief of Benefits and Services, OP, served as Secretaries for the Society in support of an Executive Committee which made the loan decisions. The Educational Aid Fund aided employees who were hard pressed by educational expense. Fund drives were conducted in support of these efforts and as part of government-wide programs to raise money for charity. In fiscal year 1969 a single "Consolidated Fund Drive" raised \$241,972 for what was called the Combined Federal Campaign, \$14,164 for the Public Service Aid Society, and \$15,550 for the Educational Aid Fund.** On the recreation side, the Employee Activities Association (EAA) maintained for Washington-area employees a lively program which, 189/ since the move to the new Headquarters Building late in 1961, utilized the services of a full-time recreation officer and included a wide range of organized sport and cultural activities, its best known effort being a discount

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25X1A * [REDACTED] was Secretary for many years, and [REDACTED] followed her in the post.

25X1A ** Emmett Echols, as Director of Personnel, found it necessary in 1963 to designate a member of his staff as a full-time Fund Drive Coordinator, and [REDACTED] was the first person to hold the job. The Comptroller furnished two accounting specialists to set up a bookkeeping and fund control for the drives. At present the Fund Drive Coordinator in the Benefits and Services Division is assisted by a permanent clerk and by clerical personnel detailed from the pool.

store. Under employee services, there were a number of functions performed by the Office of Personnel, including counseling, credit reference, income tax assistance, and safekeeping of personal vital papers -- all designed to ease the complications of life in CIA and to reflect the Agency's concern for the human side of personnel administration.*

* Perhaps the most tangible evidence of management's concern came in early 1968 when the post of Deputy Director of Personnel for Special Programs (DD/Pers/SP) was established with jurisdiction over the Credit Union, the Benefits and Services Division comprising the Central Processing, Insurance, Incentive Awards, and Personal Affairs Branches; the Contract Personnel Division, and the Retirement Affairs Division, the latter consisting of the Retirement Counseling, the External Employment Assistance, and the Retirement Operations Branches. Appropriately enough, ██████████ was the first DD/Pers/SP and has held the post since 15 March 1968.

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APPENDIX ASources

The OP Oral History Project (OP/OHP), to which frequent reference is made in the sources, was carried on over the period of a year, from November 1970 to November 1971, and simultaneous with the writing of the Overview History. During the course of the project the writer interviewed some eighteen individuals who played significant roles in Agency personnel administration at either the staff or policy level. Interviews were conducted with the objective of recording the reasons behind the actions taken and the interplays and reactions that brought about our present personnel management concepts and practices. Only the interviewee's remarks were taped, and some 29 tapes were secured. In transcribing these tapes, it was necessary to shift to a third person context to avoid confusion of pronoun meaning and to correct the more pressing syntax and grammar problems. Occasionally individuals were quoted directly and verbatim in the transcript when they made some particularly memorable point or when the personal pronoun was essential to the meaning. These passages were enclosed in quotes. Thus while it cannot be said that the transcripts -- or the excerpts from them used as sources -- were verbatim, they were about 99 percent so. In addition, each individual interviewed was furnished with a copy of his transcript, except for the retirees (Baird, Meloon, and Echols) where no secure means existed for so doing. Tapes and transcripts have been placed in the CIA Historical Staff archives Document HSHC 424.

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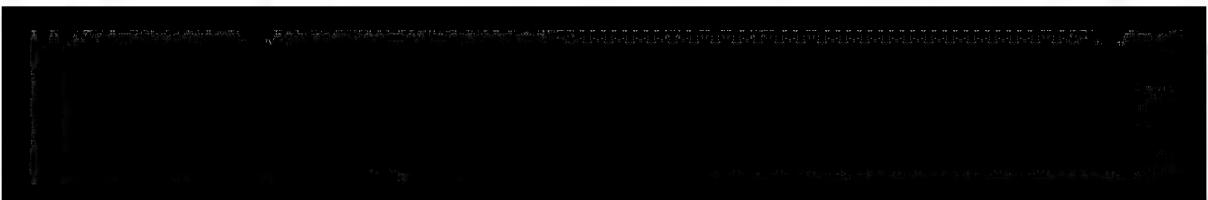
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Sources

Chapter 1

1. President Truman's letter to the Secretaries of State, War, and Navy dated 22 Jan 46 established the Central Intelligence Group (CIG) "subject to the Existing Law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall . . . perform such services of common concern as the NIA determines can be accomplished centrally." Persons assigned from the departments on a proportionate basis, 43 each from State and Navy and 79 from Army, were to form the cadre organization. CIG existed officially from 22 Jan 46 to 18 Sep 47.
2. Executive Order of 20 September 1945 directed transfer to the Department of State of the Research and Analysis Branch consisting of 1,250 persons and the Presentation Branch consisting of 82 persons. These people formed the Intelligence Research Division of State, and very few of them -- with some notable exceptions, such as Mr. Ray Cline -- ever returned to CIA.

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4. OP Oral History Project: These insights were gained from a series of interviews in November 1970 with William J. Kelly, Personnel Officer of CIG and the first Personnel Director of CIA, serving from May 1947 until July 1951.
5. This approximate figure of SSU strength in January 1946 is derived from objective stated by the Director of SSU to the Assistant Secretary of War in his letter quoted in Source 2.
6. OP Oral History Project: HSHC 424, Tape 1, Interview William J. Kelly, 10 Nov 70.
7. Ibid. Statement by Mr. Kelly.

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8. Ibid. Mr. Kelly speaks of his efforts, eventually successful, to obtain the services of George Meloon to survey personnel operations and straighten out wage administration; the strong work of Bob Wattles and [REDACTED] in their dealings with OSO operating officials; [REDACTED] in classification and employee relations; [REDACTED] in "aggravating for" credit union, health insurance, and employee discount store; Mrs. [REDACTED] in "putting up" the capital along with Ray [REDACTED] to start the credit union.

9. OP/OHP. HSHC 424, Tape 21, Statement by Robert S. Wattles, Assistant Deputy Director for Support, A/DDS, 3 August 1971. "On the matter of handling the placement function (in 1948), it was a busy one but not very profound. It was not unprofessional, but Personnel was essentially in a seller's market; every component was looking for people; and anybody who looked good, was reasonably intelligent and qualified entered so that it was more a matter of parcelling out the goodies. If they had a Far East bent they went to the FE show and so on, but it did not take much selling to sell the good candidates. There were plenty of good people applying to the Agency. One highlight of the times was the program that was perhaps a forerunner of the JOT/CT, called the field training exercise, in which young men were brought in in fairly large numbers. As a means of developing them as case officers, they went to [REDACTED] as assistants to case officers in the field, learning the business at the knee of a senior experienced hand. They were kind of dog-robbers learning the business of meeting agents, and paying off agents and servicing dead-drops in an apprentice sense. "Field assistants, they were called," said Wattles, and as he looks around the Agency today, he sees many of these people whom he knew as youngsters in those days now in fairly senior positions in the Clandestine Service. There may have been as many as 75 at a time.

10. OP/OHP. Tape 1, Statement by William J. Kelly, 10 November 1970; [REDACTED] from the Deputy position then and in subsequent reorganizations had a profound effect on personnel administration and not just because he controlled the Personnel Office budget and T/O. His major arguments with the ADSO and the ADPC and others usually caught personnel in the middle. The accusation that administration was attempting to control operations was aimed at the level above the Personnel Director." Kelly said that he had few difficulties at the top with the various DDCI's or, for that matter, with the operating officials in the OSO although they did not always see eye to eye. "It was the turmoil immediately above the Personnel Director and the coming of OPC out of the blue that really began the deep divisions in personnel administration."

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11. General Order [redacted] of 27 August 1948 established the Office of Policy Coordination to conduct [redacted] operations superseding the OSO Special Procedures Group. [redacted] was the first Assistant Director for Policy Coordination (ADPC).

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12. CIA: Discussion of OSO and OPC proposed merger and Executive's response condensed from [redacted] "The Conduct of Agency Business," Chapter X, pp. 18, 19. S.

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13. CIA General Order [redacted] 31 December 1948 "Antecedents."

14. OP/OHP. HSHC 424, Tape 6, Interview, George E. Meloon, 21 January 1971.

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15. Office of Personnel: Draft History 1945-52 prepared by Margaret [redacted] 1968-70, OP Historical Files. This account and indeed Chapter 1 is based in large measure on the research and the draft material developed by Miss [redacted] in the 1968-70 period.

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16. OP/OHP. HSHC 424, Tape 1, Statement by William J. Kelly, 10 November 1970. Mr. Kelly spoke of several major staffing crises. The South American stations had to be staffed within six months of the take over from the FBI against obstructions placed in the way by the FBI and its Director, who obtained a ban on direct hiring by CIA of FBI people. Mr. [redacted] of OSO did most of the work of recruiting key personnel for WH, all of whom had to have a job in between leaving the FBI and coming with the CIA. Another crisis arose when the decision was made at a high level that the Agency would take over the [redacted] from the Federal Communication Commission. The Agency had two weeks to accomplish this. Many of the [redacted] staff could not meet the CIA security clearance standards and had to be separated and replacements found. This was Colonel Lawrence K. White's introduction to intelligence administration. The coming of the polygraph caused a separation exercise involving more than 100 people overall at a time when the Agency was intensively recruiting.

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17. OP Historical Files. Review of the Functions and Staffing of the Personnel Office. Informal report for Mr. Kelly from George Meloon, 15 October 1947.

18. OP/OHP. Tape 1, 10 November 1970, Statement by William J. Kelly. "The over-riding difficulty throughout the period was, however, the matter of delay in security clearances. Initially, they were done by

Chapter 1 (Cont'd)

the FBI, which took six months or more and at one point balked completely saying it did not have the staff to accomplish the field investigations. When the Agency started to build its own [REDACTED] organization to conduct the investigations, these had to be staffed and in the middle of the process the FBI suddenly decided it would make the investigations." Mr. Kelly recalls the matter of security investigations "as being the bane of our existence during these days, lightened only by the cooperation and understanding of Colonel Sheffield Edwards, the Chief of Security and the Chairman of the Personnel Review Committee."

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19. Op cit. Source 17, George E. Meloon.

20. Ibid.

21. OP/OHP. HSHC 424, Tape 6, Statement by George E. Meloon, 21 January 1971. Meloon mentions that Personnel finally persuaded Security to allow people whose records looked good to come on board with a provisional clearance to do unclassified work in an unclassified area pending final approval and clearance. Operating officials were dubious about there being any unclassified work in the Agency. [REDACTED] and 25X1A Jamie Andrews in OCD came to the rescue with an initial request involving newspaper and magazine clipping. Eventually the pool was deluged with work and was kept busy typing, indexing, cross referencing, including the Moscow Telephone Book. The pool reached a peak of 400 in Meloon's time (1951-55), and was limited to GS-07 and below. There was also a professional pool called Unclassified Training Group A (UTGA) which went up to GS-13 and even a few 14's and was administered by the Office of Training.

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22. Ibid. Statement by Mr. Meloon. "In 1947-59 [REDACTED] was brought in from the Army to set up a testing program, initially a paper and pencil affair to screen applicants through grade 7, as an aid to the placement officers. This program was a forerunner to the psychological testing program administered in the pool. In addition to this testing program, an assessment staff under Dr. [REDACTED] who had been around since OSS days, was in existence in OSO. The individual assigned to the Clandestine Services would be tested twice. Later when OP had a sizable recruiting force in the field, arrangements were made with the US Employment Service to administer clerical tests as an aid to the recruiters. Thus, the individual might be tested at time of recruitment, again at time of entrance on duty, and again if assigned to the CS. If sent overseas, he would be assessed for that purpose. In 1951 the Medical Staff became interested in psychiatric testing, which thus added a fifth possibility for testing the individual before he got on the job. Per-

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sonnel, in an effort to end this duplication and mushrooming, willingly and voluntarily gave up its testing program to the Office of Training in 1951."

23. OP Oral History Project, HSHC 424, Tape 23, Interview with Emmett D. Echols, 26 August 1971.

24. Eberstadt Task Force Report, September 1948, pp. 25, 35, 37, 0/DCI/HS Files. CIA's dilemma was summed up: CIA was, in point of time, a nouveau riche. Its work cut squarely across and through the National Military Establishment. CIA was given a position new to our history and obviously occupied a position of peculiar difficulty.

25. Darling, The Central Intelligence Agency - An Instrument of Government, CIA History, Chapter VIII, pp. 5, 6, 0/DCI/HS Files. The Eberstadt Report went to Congress, the Dulles Survey was conducted at the direction of the NSC. Darling notes that among members of Congress, Hillenkoetter was said to have enjoyed "downright popularity." The Dulles group reported to a body which had before it for consideration a plan to place covert operations under the aegis of the State Department with the aid of the military services. The NSC was composed of representatives still openly hostile toward Vandenberg's and Hillenkoetter's efforts "to act as Directors of Central Intelligence with only the advice and not the consent of the departmental chiefs of intelligence in the Intelligence Advisory Council." Darling adds, "The Dulles Report afforded men who were vexed with Hillenkoetter, for one reason or another, an opportunity and incentive to put their annoyance into action."

26. Admiral Hillenkoetter's Comments on the Dulles Report, 26 February 1949, pp. 3-7. Mr. Kelly, the Director of Personnel, in the 10 November 1970 interview for the Oral History stated that he took no part in preparation of the DCI's response, having been forbidden by his superior, [REDACTED] who prepared the comments, to say anything to the Dulles Group representative, who was Mr. [REDACTED]

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27. CIA [REDACTED] "Remarks on Personnel," in an interview, 16 June 1952.

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28. Letter, 8 August 1949 to RADM R. H. Hillenkoetter, Director, Central Intelligence Agency from [REDACTED] Chief, Personnel Classification Division, in response to a 30 June 1949 inquiry from the DCI contained this statement:

"It is the official judgment of the Commission, based on Sections 7 and 10(b) of the Central Intelligence Agency Act of 1949, that the Agency is not required as a matter of law, to follow the Classification Act, and that the

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Commission, therefore, as a matter of law, is not required to enforce that Act within your Agency."

In his 10 August 1949 response, the DCI stated the policy which has prevailed ever since:

"You may be assured that in our internal personnel administration we will be governed by the basic philosophy and principles of the Classification Act, the Civil Service Commission's allocation standards, the pay scales, the within grade salary advancement plans, and the pay rules of the Classification Act as they may be amended from time to time, in substantially the same manner as provided for other Agencies."

29. OP Oral History Project: HSHC 424, Tape 3, 13 November 1970, OP Historical Files: Mr. Kelly stated that three things were accomplished in the December 1950 - April 1951 period: centralization of functions in Pers Office; the reorganization and reassignment of people who went with it; and the orientation of higher authority in Agency personnel administration.

30. OP/OHP, Tape 21, Statement by Robert S. Wattles, 3 August 1971. Mr. Wattles said that in setting up the new training operation, nothing really came out of the hide of Personnel. As a matter of fact, Bill Kelly, the Personnel Director, and his Deputy, George Meloon, were full parties to the development of Matt's structure. The fact was that the only training going on prior to Matt's arrival was the training being done by the OSO and Matt was coming in to be General Smith's training officer, which meant that he was to run an Agency-wide training operation. Personnel up to that time had not been in the training business anyway, unlike many old line agencies where people held the Office of the Director of Personnel and Training. Nor was there any clerical training at that time. The only clerical training that showed up was when, later on, the clerical pool was established to enable the Agency to be competitive in the recruiting market, and training was conducted because the girls were kind of sitting around and might just as well be getting some training. The matter of a single Director of Personnel and Training and where Training sat in the structure and where Personnel sat in the structure obviously was very confused. Wattles does not recall having been very attentive to it personally but in putting the pieces together now believes that Personnel in the persons of Bill Kelly and George Meloon kind of got caught in the bind. The OSO -- and the CS still thinks so today -- thought they had to have control

Chapter 1 (Cont'd)

of all their resources and be masters of their own destiny and Matt Baird was coming in to run a training show. Matt was kind of un-touchable as a personal friend of the Deputy Director, and the personal selection of the Director's. The personnel guys were looked upon as necessary evils, federal hacks, and bureaucrats. Thus, some of the infighting that was going on was really directed at Training but was wounding Personnel in the process according to Wattles.

31. OP/OHP, Tape 3, 13 November 1970. To Mr. Kelly, the establishment of the Training Division was a natural evolution as Personnel was engaged totally in day-to-day activity. Mr. Kelly states further that he was on a regular collaborating basis with Matt Baird including the detailing of Bob Wattles to assist Matt in getting started. In Meloon's view (Tape 6, 21 January 1971) OP never had the training function except for an informal orientation program which concentrated on clerical training and dealt with Agency organization and principal officials. The main training program was in OSO and was operational training.

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32. OP/OHP, Tape 20, Statement by [REDACTED] Chief, Retirement Affairs Division, OP, 30 July 1971. The functions of the placement officer -- [REDACTED] served as such from April 1952 to September 1952 when he moved to the OTR as the OTR Personnel Officer -- were the pre-screening, preselection of applicants who had been referred against a recruitment requirement; deciding which cases could be considered qualified for referral to the components, in this case to OTR. If OTR indicated interest in an applicant against a regular staff instructor requirement, then placement would conduct the interview and the same for JOT. In most instances if placement considered after the interview that the candidate was not the man for the job, the case would be closed out. There was a gradual evolution of the role of the operating component during this time whereby the final decision on selection was really made by the operating component. The JOT staff was expanded after September 1953 to a Chief and four assistants, all senior officers who were detailed from the three Deputy Directorates that had primary interest. They became the selection panel within OTR for the candidates for each of the JOT classes. The placement office did a more or less superficial screening, noted their comments on the buck slips, sent the file to the JOT staff who would then proceed to call the individuals in, or ask placement to do so, and then two or more members of the JOT staff would interview the candidate and make a decision.

Chapter 1 (Cont'd)

The decision making was really done in the operating component and not in placement. One of the results was that the operating component pressed for more and more candidates for consideration and the more cases they got, the more selective they became. In addition to what might be considered valid requirements for the JOT candidate, Dr. [REDACTED] had his own list of qualifications, fifteen or twenty areas of inquiry that he pursued as an individual, that he considered suitability criteria. Dr. [REDACTED] put great stock in the individual's family background and what kind of prep school he went to, his circle of friends. Dr. [REDACTED] was inclined to make his selection from candidates who came from well known, not necessarily restricted to Ivy League, universities and colleges. The individual who looked good and might have had a good record but came from a relatively unknown college really had to prove his case with Dr. [REDACTED] according to [REDACTED]

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33. OP/OHP, Tape 21, Statement by Robert S. Wattles, 3 August 1971. Some time during that spring and summer (1959), Wattles said he served with a task force -- [REDACTED] may have been on it -- rewriting part 14 of the Confidential Funds Regulations dealing with categories of personnel. "The now infamous fourteen categories of employees were produced at that time -- staff employee, staff agent, career agent, contract agent, covert associate, consultants were few -- in the effort to clarify the Agency's relationship to the various categories of employees."

Sources

Chapter II

34. OP/OHP, HSHC 424, Tape 9, Interview, Lawrence K. White, 5 March 1971. When asked why the Agency had an AD/Pers and a Personnel Director (Colonel White) answered that the situation was not well thought out. General Smith, he said, had a concept of organization that involved Deputy Directors and Assistant Directors. It was only natural that an important office like Personnel would have an Assistant Director. Another reason had to do with prestige. High-level individuals could not be recruited if they came in at a lower level in the pecking order [redacted] Colonel White then went on to describe what the AD/Pers was not, and also to state the philosophy of Personnel Management that prevailed in the Agency across these years. His statement follows.

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No one is ever going to be the G-1 of the CIA. The true personnel managers are the line commanders and not the Director of Personnel, and he cannot be the G-1 either. The whole military scheme of things is based on having a large number of people who are qualified to do certain things, e.g., to be platoon leaders or battalion commanders or regimental commanders. When one falls by the wayside there are plenty of others who have had the same training. The G-1 controls this process. He issues orders and people move and that is that. This would be completely impractical in this Agency with seven or eight hundred job descriptions and twenty-three career services. The Director of Personnel will never find himself in the G-1 position. Furthermore, we have long tenure in key positions, a greater opportunity to tailor the individual to the job, all of which is unlike the military. My feeling about the Director of Personnel is that he is a leader, or should be a leader in so far as policy is concerned, dealing with all sorts of career service and retirement problems that are common to us all. Unfortunately, the various duties of the Agency make many things uncommon to many people so unlike the military. Thus, while the Director of Personnel is a leader in establishing and implementing policy, he is a servant to

Chapter II (Cont'd)

the Career Services in many other respects. He can never take the commanding G-1 role and this is borne out by events. I am not sure that the Assistant Directors, Personnel or the Personnel Director ever understood or subscribed to this, at least for many years. As a matter of fact, I can recall when there was a lot of irritation around the Agency when Training, Commo, and Personnel were separate units. This made three units reporting to the Director. Training and Personnel, particularly, liked to refer to the group as the Big Six, to the intense irritation of a lot of other people. Although the prestige meant a lot to the AD/Pers, he never really had it and I don't think anybody but him ever thought he had it or had a right to it.

OP/OHP, Tape 7, Personnel Director George E. Meloon, had this to say about the dual offices of AD/P and Personnel Director on 22 January 1971.

Not only was the arrangement confusing, it was 25X1A downright embarrassing. The first AD/Pers, [REDACTED] was interested only in the recruiting problem to which he could and did make a contribution by reason of high-level contacts throughout the country in corporate and academic circles. He also brought with him a management consultant named [REDACTED] who was very helpful. General [REDACTED] also got an increased T/O for the Personnel Office on the afternoon of the day I briefed him, something I had been trying to get for a month. The best operation of the lot was when Matt Baird had the AD/Pers job (April 1952 - August 1952). Had Matt been left in the job, a combined training and personnel operation might have come about, and the pushing and shoving between the two offices avoided. General [REDACTED] 25X1A Jr., USA (Ret), AD/Pers, August 1952 - January 1954 was well past his prime and happy to rock along with the status quo. When Harry Reynolds inherited the job Harrison G. Reynolds, AD/Pers, January 1954 until the post was abolished in February 1955 the Career Staff was deeply rooted in the organization.

Chapter II (Cont'd)

25X1A 35. OP/OHP, Tape 3, Statement by William J. Kelly, 13 November 1970.
25X1A 36. OP/OHP, Tape 4, Statement by [redacted], 23 December 1970.
37. OP/OHP, Tape 7, the 22 January 1971 statement by Personnel Director Meloon gives his appraisal.

"Matt Baird's original elite-corps concept was not accepted by the operating officials. The career service idea was a compromise. It came into being at a time when "Personnel" was going through a series of changes at the top. The first career board was established between the time of Kelly's

25X1A departure and [redacted] was new, not a professional personnel man, and looked on his role as recruiting and did not give attention to the career concept at a time when personnel functions were being bled off to other activities. Davison was followed by Matt Biard, acting AD/Pers for four months during which time the Personnel Office was unwilling or unable to make any inroads

25X1A into the career program. When General [redacted] replaced Matt, the program was well rooted. General

25X1A [redacted] being well along in years and looking on his position as a non-career one, was happy to rock along with the status quo. When Harry Reynolds inherited the job of AD/Pers, the career staff concept was deeply rooted throughout the organization."

Tape 22, 11 August 1971. Former Director of Training Matthew Baird had this to say about it twenty years later.

"The reaction of all the offices in CIA to the proposal was one of scorn, conscious misunderstanding, and opposition for reasons that were quite understandable. General Smith was himself to blame for one of the misunderstandings. When asked at a staff meeting during the summer of 1951 a question about the career corps concept he likened it to the German Staff Officer Corps of the old Prussian Army using the word, elite corps. This was practically the kiss of death to the establishment of a career service in CIA. General Smith disavowed this later but by then the damage was done. There were, of course, other reasons.

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Offices and departments of the Agency were entrenched, and had their own personnel policies. The Personnel Office had trod very gently on these prerogatives and there were to all intent and purposes no central practices and procedures other than the procedural paper work. Another reason was the proposal would, for a period of years, control manpower. Nobody at this period when manpower was hard to come by wanted anyone else to control it other than themselves. The last reason for the poor reception was that everyone in the Agency knew it had come from upstart who had just joined the Agency; namely, the Director of Training, even though the recommendation made by the DTR was that the career service concept should be under the direction of the Director of Personnel, who was then General [REDACTED]

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38. OP Historical Files: Summaries of Comments by Assistant Directors and Office Heads on "A Program for the Establishment of a Career Corps in the CIA," 7 August 1951. Career Service 1951-1954 File. This same file contains a brief notation undated stating that [REDACTED] telephoned to report that 'Personnel' had no comments on the Career Program."

25X1A [REDACTED] and Baird -- both of whom had been brought in by William H. Jackson, who was DDCI from 2 October 1950 to 3 August 1951 and before that one of the authors of the Dulles-Jackson report -- were meticulous in respecting each others jurisdiction. Certainly each had plenty to do, [REDACTED] in the recruiting area and Baird in establishing the Training and Career Program.

25X1A 39. Ibid. August 1954, Discussion of the Backgound of the Career Program, Lyman B. Kirkpatrick with [REDACTED]

40. OP/OHP, Tape 7, Statement by George E. Meloon, 22 January 1971.

41. OP/OHP, Tape 22, Statement by Matthew Baird, 11 August 1971. Baird stated that Bill Kelly and George Meloon of the Personnel Office gave him great assistance in finding his way around the Washington bureaucracy. General Smith had given him two responsibilities besides the training function: the establishment of a Career Service (which was later turned over to the Career Service Committee headed by Wolf, the DDA, and the establishment of a Junior Officer Program to be the bottom input of that Career Service. The establishment being contained in a document, "A Proposal for the Establishment of a Career Corps in CIA" dated 3 July 1951.

Chapter II (Cont'd)

Primarily the report envisaged bringing into the Agency highly qualified, carefully selected young men out of college up to twenty five or twenty six at that time, and a smaller number of young women with the same qualifications, these individuals to be known as junior officer trainees, and to remain a part of the career development office for a period of not less than two years, at the expiration of which they would be assigned to their respective offices. Baird's recommendation was that the career service concept should be under the direction of the Director of Personnel, who was then General [REDACTED]

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had told Baird that he was not going to stay with the Agency more than a year, and prior to his departure made the recommendation to General Smith that Baird be made Director of Personnel as well as Director of Training. General Smith wisely did not buy this, but temporarily made Baird's title Director of Training and Assistant Director for Personnel, "in addition to his other duties." Baird cannot be certain why Bedell Smith did this but feels it was a great injustice to the hard-working professionals in the Office of Personnel including Bill Kelly and certainly George Meloon. All of these people were very capable in personnel procedures. When it came to establishing personnel policy, this involved more authority than had ever been given to a Director of Personnel, and not many people in the Personnel Office had the experience of establishing personnel policies from the developmental point of view. General Smith perhaps thought that Baird as a Colonel in the military and a hard-boiled Westerner might have the punch, if given the authority, to push developmental plans through -- specifically the establishment of a Career Corps in the CIA . . . even though General Smith disavowed the elite aspect of the Corp (after the storm it aroused in the Agency) in effect he meant it, that is, an elite career service. Baird does not know why General Smith did not have the confidence that this could be accomplished by personnel people rather than by the Director of Training . . . The important thing was that the original proposal got under way because Bedell Smith told them to get it under way.

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42. OP/OHP, Tape 19, Statement by [REDACTED] Deputy Director of Personnel for Recruitment and Placement, DD/Pers/R&P, 28 July 1971. The single function which got the most attention in both Personnel and Training in the late 50's was the JOT Program. Matt was tremendously interested in it and paid a great deal of attention to it. It was headed by [REDACTED] to whom it was his entire life. [REDACTED]

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became so involved in the welfare and good order of the activity that he looked very jealously and very much askance at anyone from the outside who showed interest in tampering with it. Bill was a man of great integrity, complete honesty, and high standards in his assessment

Chapter II (Cont'd)

of people. He had a vision of the ideal JOT, a prototype, and JOT candidates had to come very close to fitting in that mold in order to get serious consideration. It was a demanding and impressive set of standards, but they were a matter of record; and it took a very superior person to gain his favorable acceptance.

25X1A This complicated the recruitment program to no end, and there was always the feeling on the part of [REDACTED] and Matt Baird that Personnel was not working hard enough for the JOT Program, that the recruiters were paying much more attention to keeping up their EOD quotas -- concentrating on those people who were much in demand and easily placed -- than to developing potential JOT candidates. Personnel on the other hand, particularly in the Recruitment Division, felt that the standards were unrealistically high and that they could never satisfy [REDACTED] anyway. After seeing good man after good man turned away for one reason or another, sometimes after three to five months of deliberation, the recruiters got a little tired of the whole exercise and really did not knock themselves out. This was a source of constant dissatisfaction that cropped up usually in connection with the recruiter conferences each year. It was not helped by two or three studies of the JOT problem that were undertaken by Personnel trying to get at some of the root causes of these periodic expressions of dissatisfaction. What really should be the size of the JOT Program? How many applicants were enough? What about the way they were handled and the processing time and the selection process? What were the known objectives? What were the subjective factors that controlled selection of candidates? This was perhaps the one subject of joint concern that never seemed to get settled.

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43. The Real CIA by Lyman B. Kirkpatrick, Jr., the Macmillan Co., New York 1968, pp. 144-145.

44. OP Historical Files: Agenda, Minutes and Verbatim Transcripts of the sixth-nineth meeting of the Career Council and of its predecessors, the Career Service Board and the Career Service Committee are found in the OP Historical Files, Office of Personnel.

45. Ibid. Memorandum for the DCI from the Director of Personnel dated 26 May 1960. Subject: CIA Career Service.

46. OP/OHP, Tape 11, Statement by [REDACTED] 2 April 1971. In 25X1A 1956, shortly after assuming office as Deputy Director of Personnel, [REDACTED] made a strong effort to improve staff work that went into the support of the Career Council. His statement follows:

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Chapter II (Cont'd)

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"At the time, [REDACTED] the Executive Secretary of the Career Council, prepared the agenda, and, although signed by the Director of Personnel, there was generally little time to review the contents. This procedure was changed to provide that the draft agenda would be presented with attachments to the Director of Personnel in ample time for completed staff work on the part of Personnel careerists prior to the Council meeting. Much of this staffing was done by Messrs. [REDACTED] and [REDACTED] and their staff."

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47. OP Historical Files. A draft study prepared in January 1968 for the Executive Officer, OP, [REDACTED] provided the following rough chronology of the Planning Staffs and their gyrations.

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1949-51 [REDACTED] was brought in by Personnel Director Meloon in 1949 to head the collection of so-called bright young professionals, several of them lawyers, that Meloon had assembled to develop procedures and regulations following the exemption from Civil Service Commission procedures. They were the beginning of what became the Personnel Studies and Procedures Staff (PSPS) in 1951 with a staff of six.

1951

PSPS was subsequently divided into a Research and Planning Staff (RPS), which supported the Personnel Director, and a Career Development Staff (CDS), which supported the Career Program. RPS was headed by a succession of individuals,

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47. (Cont'd) August
 1953
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The two staffs were merged into the Plans,
Research and Development Staff (PRDS) under
[redacted]

July
1954

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The staffs were divided again. [redacted]
was placed in charge of a Career Service Staff
in preparation for the New Agency Career Staff
Program and in support of the renamed Career
Council. A Planning and Analysis Staff (PAS)
under the Personnel Director with Robert
[redacted] as Chief, picked up the regulations,
procedures, statistical reports and special
studies functions.

June
1955
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The staffs were combined again and reshuffled.
[redacted] was now the Deputy Director of Per-
sonnel for Planning and Development (DD/Pers/
PD). Four subordinate staffs were placed
under his jurisdiction: Plans, which performed
the traditional personnel planning functions;
Mobilization, which was a new activity con-
cerned with assisting the Clandestine Services
Planning Board in preparing personnel support
annexes for contingency and hot-war operational
plans; Development, another new staff which was
responsible for monitoring career planning in
the Agency and for administering the new Junior
and Senior Development Programs; Selection,
which was a continuation of the Career Services
Staff. This was a peak period with some thirty-
four people serving on the various personnel
staffs.

May 1957
to
June 1958

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The Plans element was removed from under the DD/
Pers/PD and placed back in the Office of the
Director of Personnel (OD/Pers) after Gordon
Stewart took office. The name was changed to
Project and Procedures Staff (PPS) in June 1958.
A separate Regulations Unit was set up in OD/Pers
under [redacted] to work with an OP Regulations
Committee on the revision of Agency Personnel
Regulations.

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Chapter II (Cont'd)

47. (Cont'd) 1959-62

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The post of Deputy Director of Personnel for Planning and Development was dropped with the retirement of [REDACTED]. The Mobilization Staff was transferred to the Military Personnel Division/OP. The remaining staff positions in [REDACTED] office were merged with the regulations and planning staffs in the OD/Pers and formed into a new Plans Staff under [REDACTED] in April 1959. The Regulations Unit was separated again in the 1961-62 period and placed under the Executive Assistant [REDACTED] in the OD/Pers.

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1962-68

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The Plans Staff became the Plans and Review Staff (PRS). Advance planning and forecasting were emphasized as well as regulations and procedures. PRS was headed successively by John [REDACTED]. It had a Table of Organization of eleven positions in 1965.

48. OP Historical Files. Personnel Office Progress Report, July - December 1953, Plans Staff.

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50. Ibid. Memorandum for Chairman, CIA Career Service Board, from [REDACTED], Chairman, Professional Selection Panel, dated 25 October 1952. Subject: Functional Responsibilities of the Professional Selection Panel. The Panel determined these to be: the establishment and monitoring of standards used by the office boards for initial selection of all candidates for intelligence positions, determination of the over-all suitability for applicants and employees for initial appointment to intelligence career positions, and arbitration of controversies between operating officials and administrative offices arising from disputes over the qualifications of candidates for professional employment.

51. OP Historical Files. Minutes of Career Council, Fourth Meeting, 21 October 1954, contain a general discussion of 537 questions received in writing from this meeting, of which the Career Staff in OP was able to answer 300, referring the others to the Council. The pledge to go anywhere seemed to cause a crisis in conscience, particularly to the working wives. Notice [REDACTED] of 15 October 1954 had endeavored to allay these scruples by encouraging people to sign up regardless and to give reassurance that full consideration would be given particular

25X1A capabilities, interests, and personal circumstances in carrying out the "serve-anywhere" policy. A basic facet of the problem was discussed by Miss ██████████ of the Selection Staff in a conversation with Dr. ██████████ on 19 October 1954 (Memorandum: OP Historical Files).
25X1A Miss ██████████ stated that no formal document on the Career Staff went to the employees in the early days of the program. Notices of eligibility were sent out requiring employees to answer in ninety days or indicate why they did not want to become a member. Because of employee protests the IG changed this policy so that the employee received ninety days notice in advance of eligibility date and had ninety days after, a total of 180 days, to make up his mind. Miss ██████████ that she had a lot of trouble trying to answer even the basic question: namely, Does membership in the Career Staff mean status or tenure, or what? As observed by the writer in the text (p. 95) it is obvious in retrospect that employee communication with respect to the Career Staff was not very good. The Office of Personnel issued in 1953 a 57-page booklet entitled, "Facts for members of the Personnel Career Service," but none of the other career services followed suit.

52. Ibid. Memorandum for the DCI from the DDS dated May 1960.
Subject: Response to Inspector General's Survey on Career Service
and Tab A, Philosophy of Career Service.

53. Ibid. OP Staff Paper on Career Conversion Program in OP Plans Staff Files.

54. OP/OHP, Tape 7, Statement by George E. Meloon, 22 January 1971.

55. OP Historical Files. Career Services Staff, Progress Report, 1 July - 31 December 1956.

56. OP/OHP, Tape 4, Statement by ██████████ 23 December 1970. 25X1A

57. OP Historical Files. Memorandum for DCI from DDS, 19 May 1960.
Subject: Response to Inspector General Survey on Career Service.
Tab B, Summary of Support Office Heads' Views.

58. OP/OHP, Tape 7, Statement by George E. Meloon, 22 January 1971.

59. OP Oral History Project. The inner workings of the Personnel Career Service Board are described by two veteran officials in the Oral History.

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Tape 5, Statement by ██████████, 30 June 1971. ██████████ had served on the Board since around 1960 and stated that he had seen a lot of changes in composition and in ideas. Unfortunately, the Board makes subjective judgments, he said, and peoples' stars rise and fall dependent on who is on the Board. "Many people highly regarded by one Board would not be

Chapter II (Cont'd)

59. (Cont'd)

treated as well by another. Too often several Board members got in line to bring their friends to the fore and weigh the promoting exercise. From an overall point of view, one of the cardinal problems was the situation of popularity versus performance. Consequently, many people whose attitude was to give the operators what they wanted regardless of the consequences became very popular and too often rose to fairly high grades without any knowledge of the personnel business or any integrity in what they were doing. The Board continued through most of the 60's in a rather haphazard way, meeting each crisis and problem as it arose with little planning or development. In retrospect, it did surprisingly well. In 1965-66 we reached a point where we thought we should at least categorize the people in three groups, people who were doing all right in grade and were no problem; another group which was composed of people who were possibly overgraded or causing problems or were marginal performers; the third group were the people who had the potential and who should be promoted. This rather crude system was a basis step along the way to planning what we needed. In 1967 as a result of the Agency-wide promotion blockage, the Board went through the whole Career Service in order to determine how many people should be promoted, whether we had a problem in our key positions, and whether good, deserving people would be denied promotion. At that time on a conservative look it was felt that the Board could probably take care of most of our good people. However, we had to accept the idea that GS-14 constituted success in the SP Career Service because we had very few GS-15 or 16 positions. In 1968 and 1969 in order to check our categorization of people we asked Dr. [REDACTED] (Chief, Assessment and Evaluation Staff) to give OP a reading of its people -- fortunately most of them had assessment tests although some of these tests were ten to twelve years old -- and to divide them into the three groups as the Board had done. Dr. [REDACTED] recommendations as to people with high potential, those with lesser potential, and the bottom group agreed quite closely with the Board's. The experiment also proved what good predictors the A&E Staff were. Furthermore, good insight was gained from the A&E Staff as to what might happen with these individuals. Board determinations conformed very closely to the test scores and the interpretations of the scores."

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Tape 15, Statement by [REDACTED] 13 May 1971. [REDACTED] served for several years (in the early 60's) on the Personnel Board and stated that he knew the people in the service well enough to be able to make some fairly sound judgments on assignments, promotions, and the like. There was an outstanding effort, he thought, by the Board to be fair and objective and thoughtful. After serving on numerous boards both in the field and at Headquarters, [REDACTED] did not find any Board that was more conscientious in its efforts to do a good job. At that time, the Board was told what the wishes of the Director of Personnel

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59. (Cont'd)

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were before going into session. [REDACTED] took a stand that he was not interested in what the Personnel Director thought about people, that he [REDACTED] thought they (the Board) were there to give the Personnel Director their thoughts and recommendations. [REDACTED] Chairman at 25X1A the time, was somewhat abashed at this idea but agreed when everybody else on the Board agreed. The Board should come up with its own suggestions for assignments and promotions, and then if the Director of Personnel did not like the results he had the power to do as he pleased about it. Another innovation introduced by [REDACTED] involved 25X1A people at grades GS-10 and below who were not well enough known by the Board members for them to make judgments about career matters. These were serious matters not only to the man but to his family and future so that [REDACTED] asked the Board to adopt the policy of having the division chief to give a rundown on the individual and why he proposed one person as against another. This was in addition to the advance briefing on candidates. The Board did split (original sense of the word) often. A system was developed of giving numerical credit by establishing criteria and assigning a certain number of points to each. Then instead of a show of hands the vote would be by a ballot on which the numerical credits would be entered by each member and then totaled to come up with a total score for each candidate. The Board would then arrive at who was number 1, 2, 3, 4, and so forth down the line. The system is now (1970) used in Commo and by the Logistics Career Board, according to [REDACTED]

Sources

Chapter III

60. Source 31 contains a statement by Personnel Director Meloon about the relationships between the Assistant Director, Personnel, and the Personnel Director.

61. CIA/OP Memorandum, 24 July 1951, to Assistant Director from Acting Personnel Director. Subj: Proposed Table of Organization for Personnel Office, OP Historical Files. There are a number of intriguing ratios and workload units in the memorandum. For example, one clerical recruiter should achieve the entrance on duty of 175 clerical employees annually. The specialized recruiter was expected to bring in 125 people. There should be one classification analyst for every 500 positions and one placement officer for every 500 employees. A personnel relations officer ratio was described as one to one thousand employees.

25X1A 62. OP/OHP, HSHC 424, Tape 17, Statement by [REDACTED] Deputy 25X1A
25X1A Director of Personnel, 14 June 1971. [REDACTED] stated that recruitment was a very large organization in 1952 with a number of contract
25X1A recruiters -- two or three were in [REDACTED] alone -- when he was first assigned to it. [REDACTED] was his first location, and he was the first recruiter to be assigned to that city. Either the program was very badly organized or he was. It was not until many years later when the staff was reduced and reorganized that a concerted effort at college recruitment was made -- daily plans for campus visits during the October-to-March period were worked out for recruiters a year in advance. The recruitment effort that [REDACTED] saw and participated in 25X1A [REDACTED] was haphazard. "Our requirements were 25X1A tremendous and varied and yet there were few specifics given. It was like fishing for shrimp. There were no distinctions made in terms of individual skills and tremendous pressure from Headquarters on accounting for time and getting files in. At one time we had to submit on a weekly basis a report that showed what we had spent our time on each day of the week. It included telephone calls, the amount of time on the telephone, the amount of time and numbers of lead sources interviewed, the number of applicants seen and the amount of time spent talking to them. Monthly we got a report from Headquarters as to placements made back there and files put in process. This kind of pressure plus the remoteness from Headquarters wiped out all discrimination from our minds. We played the numbers game and we were less concerned, in all honesty, with the kind of applicants brought in this Agency provided that our records were sufficiently sound to keep Headquarters off our backs."

Chapter III (Cont'd)
62. (Cont'd)

25X1A [REDACTED] personally chafed under this setup and it was with some relief that his tour as a recruiter came to an end. All of this was not, [REDACTED] said, to negate the abilities of [REDACTED], who was boss of procurement for many years and an able, intelligent, and energetic one. It was a holdover from previous days when the Agency faced fantastic manpower requirements, when applicants' files were pouring in and people were building up their staffs and filling their vacancies, to the tune of thousands a year. Selectivity went by the boards. Recruiters attempted to do a good job, but the extraordinary pressures placed on them in terms of numbers made selectivity a secondary issue, according to [REDACTED].

25X1A 63. OP/OHP, Tape 7, 22 January 1971, Statement by George E. Meloon.

25X1A 64. Personnel Office, Summary of Typical Work Units; Monthly Averages, 1952. Based on data from June through December 1952, OP Historical Files.

25X9 65. OP/OHP, Tape 9, Interview, Lawrence K. White, 5 March 1971. Shortly after being appointed Assistant Deputy Director, Administration (A/DDA) in January 1952, Colonel White stated that the DCI, General Bedell Smith, asked at a staff meeting how many people were in next year's budget. Upon learning that [REDACTED] were planned for, the DCI instructions were, "When you have half that number on board, stop recruiting." Upon finding that the actual strength at the time was around [REDACTED] with some 1,500 in the pipeline, Colonel White recommended and General Smith approved the [REDACTED] personnel ceiling figure.

25X9 66. OP/OHP, Tape 6, Statement by George E. Meloon, 21 January 1971.

25X9 67. OP Historical Files, Statement from Unit History, Statistical Records Branch, OP.

25X9 68. OP/OHP, Tape 10, Interview, Lawrence K. White, 5 March 1971. Colonel White stated in this interview that the major dissatisfaction of top management was with the lack of initiative on the part of the Assistant Director, Personnel, but that he found it necessary to move George Meloon out of the number-two job because Meloon had become identified with everything "bad" about the Office. Meloon, of course, chose to resign rather than accept a transfer, Colonel White said, but returned a year later to the Agency where he did an outstanding job overseas and later as Director of Logistics, ending up as a GS-18. "I would like to record this," said Colonel White, "because I was, in the

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68. (Cont'd)

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early days and all through this thing and until the end, a staunch supporter of George Meloon. I did what I did because I thought I had to do it in order to get the personnel business up out of the mire."

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69. OP/OHP, Tape 5, Statement by [REDACTED] 12 January 1971.

70. Annex I, 2 December 1953, Inspection Report of the Personnel Office, OP Historical Files. The author of this Overview History noted a marked dissimilarity in the comments and criticisms of the thirty-two office heads and DDP Division Chiefs contained in Annex I to the 3 December 1953 IG survey report and the report itself. It was this survey report which led to the publication of the "Ten Ways." The operating officials were not uniformly critical. Two DDP Division Chiefs thought the troubles lay in the lack of Agency-level standards, policies, and procedures. [REDACTED] Chief of Admin for DDP, preceded a very thorough component-by-component analysis of the Personnel Office by this statement, ". . . giving consideration to the framework within which the Personnel Director had had to operate, this office (DDP/Admin) registers very real satisfaction with the degree of support, aid and assistance given by Mr. George Meloon personally and has a high degree of confidence in his ability. While there are many things, . . . we feel in all fairness that the Personnel Director cannot be held responsible for the lack of these accomplishments. I believe Meloon to be a very able Personnel Director who is in the unenviable position of trying to insure that a great number of non-government experienced supervisors adhere to the various legalisms of government employment practices. He had shown a demonstrable willingness, when furnished with sufficient facts, to effect an acceptable compromise between the demands of Federal statutes and the operational demands imposed on us because of our unorthodox endeavors. There is a considerable amount of restiveness in the organization (DDP) against the supposed limitations placed on us in the handling of people by the Office of Personnel. However, it must be remembered that the DCI has committed himself to adhere as closely as possible to the principles of the several Classification Acts. Accordingly, the Personnel Director as the DCI's delegated representative for the exercise of personnel authority must conduct himself within the limits of this framework." [REDACTED] stated that in his opinion the Classification and Wage Division rendered greater service and satisfaction than any other unit within the Office of Personnel. His remarks, he said, were addressed to the degree of satisfaction received from the division itself and should not be interpreted "as to our degree of satisfaction with the classification system per se."

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25X1A 71. OP/OHP, Tape 5, Statement by [REDACTED] February 1971, Deputy Director of Personnel for Planning and Control, DD/Pers/P&C. While never stated as such in writing, a large complaint precipitating Point 1, [REDACTED] said, was the niggardliness of the Classification Division in not giving the operators the grade they thought they needed. Classification and Wage Division was castigated for writing terse and abrupt memoranda turning down "valid" requests of the operators and always comparing the Agency's unique program to the routine Civil Service functions. The degree of defensiveness is illustrated by Harrison G. Reynolds' comments on Point 1 to the DCI wherein he stated, "Our contacts with the Civil Service System are extremely limited, being confined to such things as participation in the government wide retirement system, observation of the requirements of the Veteran's Preference Act . . ." In order to remove the stigma the Classification and Wage Division's name was changed to the Position Evaluation Division, which was supposed to help make "service" the slogan of the Personnel Office, and hopefully to be more agreeable with the operators and their requirements and to put a stop to writing nasty notes to them.

72. OP/OHP, Tape 9, Statement by Lawrence K. White, 5 March 1971. Prestige of the Personnel Office was never very high, said White, but it got lower under the new arrangement. (Note: with the appointment of Harrison G. Reynolds as AD/Pers in January 1954, the Personnel Office had been transferred from the DDA to the Office of the DCI.) Meloon was tagged with the bad-fellow label as lacking imagination, inflexible, old line, etc. He was the one who prompted every action taken by Reynolds, or so it was thought. Mainly, though, it was the Career Program that caused the loss of prestige. The Personnel Office stood by and watched the whole Career Program pass them by. They played no role at all. If Kirkpatrick had not stepped in, there would have been no Career Program. The AD/Pers and the Personnel Office were completely passive, except for [REDACTED] who turned out more paper than anyone could read. The Personnel Office had very little to do with the initial efforts in the year (1954) that they were supposed to be operating at the DCI level.

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73. OP/OHP, Tape 8, Statement by [REDACTED] 19 February 1971. 25X1A At this time when DDP (CS) was not overly happy with the way personnel management was going, [REDACTED] said, he was named Deputy Personnel Director (General) and [REDACTED] staff (C/Admin/DDP) was named Deputy Personnel Director (Special) to look out for DDP interests. The arrangement ceased when Harrison G. Reynolds became AD/Pers in January 1954 and [REDACTED] became known as Executive Officer.

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74. OP/OHP, Tape 9, 5 March 1971, Statement by Lawrence K. White. Colonel White's views were solicited at the time the DCI (Allen Dulles) informed him without warning of the decision to take the Personnel Office out from under the DDA, A/DDA jurisdiction and make it an independent office. This was done when Harrison Reynolds, who was not the first choice for the job, according to White, was appointed in January 1954.

75. Ibid. Tape 9. "About a year later," stated Colonel White, "the DCI called a meeting on the whole personnel business at which General Cabell (the DDCI) and Lyman Kirkpatrick (the IG) were present. The DCI, who had become dissatisfied with the AD/Pers performance, stated right then and there that he wanted (Colonel White) to take the office back. Kirkpatrick suggested that if the DCI was going to do this, "why not put Training and Commo under the Directorate and rename it the Deputy Director for Support, a suggestion on which action came very fast." Colonel White made it clear to all concerned that if he was taking back Personnel he wanted Harry Reynolds reassigned. Subsequently, Colonel White and the DDCI, General Cabell, called on the C/OPS, Dick [REDACTED] to nominate one of his top officers for the Director of Personnel job, and "that is how Gordon Stewart became Director of Personnel" (in 1957).

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76. OP/OHP, Tape 8, Statement by [REDACTED], 19 February 1971. [REDACTED] stated that his duties as the Executive Officer were to review material going to the Pers/Dir and the AD/Pers; to see to it that the various divisions were staffed; to follow up on periodic reporting and review same before it was passed up the line; to serve as point of reference for the Research and Planning Staff and for the division chiefs; and to function in the line as number three. Also, D/Pers delegated certain approval authorities including personnel actions in the Personnel Office and similar actions requiring D/Pers sign off.

[REDACTED] does not remember any appreciable change in his duties with Meloon's departure, which he greatly regretted. [REDACTED] was instrumental in obtaining a field trip for Charlie in October-November 1956 to Europe and the Near East and in furthering his understanding of Agency's overseas personnel and support problems. [REDACTED] stated that from the time [REDACTED] entry on duty in March 1951 until leaving OP in 1957 to joining [REDACTED] s Inspection Staff the pace was fast and furious. The Personnel Office was just one jump ahead of the sheriff in terms of the requirements placed upon it.

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77. OP/OHP, Tape 10, Statement by Lawrence K. White, 19 March 1971. [REDACTED] was chosen, said Colonel White, because he was highly respected by the Clandestine Services as a man who understood their needs and a man who rendered service. [REDACTED] had been out to the Far East with Admiral [REDACTED], who said that [REDACTED] was absolutely the most outstanding staff officer he had encountered in all his service, including [REDACTED] also had confidence in [REDACTED] as the Navy. [REDACTED] also had confidence in [REDACTED] as an administrator, as did Colonel White, so that it was a "natural" to put him, rather than a personnel specialist, in the job.

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78. Ibid. Tape 10, Statement by Lawrence K. White, 19 March 1971 as follows. During the period when the Personnel Office was not under the DDA, Colonel White had established a policy with office heads that he would personally review promotions to GS-15 and possibly to GS-14. He thought Harry Reynolds knew about this policy, but he could not be sure he had ever told him specifically about it. Some time after the Personnel Office was returned to the DDA jurisdiction, Colonel White learned from some personnel careerists who were working for him at the time, the names he can't be sure of but [REDACTED] were probably among them, that everybody down in Personnel was getting a one-grade promotion and they were all congratulating each other and were about to have a big celebration. Deciding that this kind of wholesale action was not in accordance with the rules and regulations he had established for everyone else, Colonel White called Harry Reynolds and when Reynolds confirmed the report, asked that the actions be held up until he could review them. Reynolds stated that everyone, including Colonel White, had been critical of Personnel, that morale was very low, and that the promotion action was one way he intended to restore morale. Views were exchanged sharply and as a result most of the Personnel actions were withdrawn by Reynolds.

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79. OP/OHP, Tape 11, Statement by [REDACTED] 2 April 1971. [REDACTED] said that within the Office of Personnel he had made an effort to centralize determination of policies and procedures which heretofore had been handled by the individual staff and division chiefs. Some of the names at the time were [REDACTED]. At the same time another very important role was being played by [REDACTED] as the principal originator and drafter of correspondence and other documents issued by the Director of Personnel. Action was also taken to develop a career management system for personnel careerists and to train and prepare them for assignments outside the office as qualified representatives of the Director of Personnel.

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80. OP/OHP, Tape 10, Statement by Lawrence K. White, 19 March 1971. The question of Personnel ratios was raised by the Congress and the Bureau of the Budget. Colonel White's concern with Personnel staffing ratios, he said, was limited to watching the situation and to having the right explanation for the Bureau of the Budget or the Congress or for anybody else who had the right to ask why CIA's were higher than other Federal agencies.

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81. OP/OHP, Tape 11, Statement by [REDACTED] 2 April 1971. A change in outlook on the part of people in the Office of Personnel was called for, said [REDACTED] in order to get them into the supporting-monitoring role and away from the old and long-sought authoritarian role. There was a rather marked difference of opinion among senior personnel officers about this. Some were very much in favor of the Agency's career policies and did a great deal in speeding the installation of the career program. Others found it quite difficult to adjust, for example, from the idea of promotion based solely on the grade of the position and other ground rules of the day. Gradually and with the strong guidance of the Deputy Director for Support, what had been a defensive and passive role began to change to one of leadership in the development of personnel policies and procedures.

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82. OP/CHP, Tape 8, Statement by [REDACTED], 19 February 1971. One of the major improvements in Clandestine Services personnel administration, said [REDACTED] came as a result of [REDACTED] work on 25X1A competitive promotion and of his persuading the CS away from the T/O or job basis for promotions which, considering the condition of the T/O's, was no basis at all.

83. 30 December 1955 Report of the Defense Ad Hoc Committee on a Military Reserve Policy for the CIA, was approved and sent to the Service Secretaries by Asst/Sec/Def for Manpower and Reserve. CIA Notice [REDACTED] issued on 10 Jan 1956, reflected this agreement.

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85. OP/OHP, Tape 10, Statement by Lawrence K. White, 19 March 1971. As early as 1953, the idea of having a Deputy Director for Personnel and Training was in a few people's minds, Colonel White said, but, "I really always thought that it was more of an ambition of Matt Baird's than anything else. There are theoretical arguments that could be made and the combination could be made to work, but as I look back on it, from the day that General Smith told me to tell Matt Baird that he was never going to be Director of Personnel, I never took these proposals very seriously. At some later date, and it would be 1956, the IG raised the possibility again. This time the suggestion grew out of a survey which concentrated on the Junior Officer Program and on the question of whether OTR or OP should have charge of the program." Colonel White never could see any sense in the suggestion that the two offices be combined to resolve the JO problems. He did have a number of conversations with both Personnel and Matt Baird about the handling of the JO's. Matt and [redacted] and his people were always complaining that the Personnel Office did not process the JO's fast enough, that they did not recruit them properly, and that the Medical Office did not handle them right and were too narrow minded in turning down people, and that the Security people were too slow in clearing people. By the time Personnel and Medical and Security had gotten through screening these outstanding young men that OTR had identified, they had lost the best ones and so forth. This was a constant clamor from Matt and OTR; in fact, Matt at one point indicated, to his regret probably, that he was tired of fighting all this and why not just take the Junior Officer Program and give it to the Office of Personnel and have it over with. Colonel White thought that Matt and OTR were preoccupied with the JO Program to a degree that they should not have been in view of their other responsibilities. He thought also that the IG had been short sighted in not taking into account in his recommendation the other parts of training, such as clandestine training that really had no place in Personnel. As to the transfer of the program to Personnel, Colonel White thought that it might have suffered in the process simply because Personnel was and is overburdened with day-to-day work and it would be hard for them to give the individual attention, care and feeding which the OTR has given through the years.

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86. OP/OHP, Tape 12, Statement by Gordon M. Stewart, 7 May 1971. Stewart [redacted]

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Stewart was amazed

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25X1A to find in 1950 that the Agency was picking up people who were not very well qualified except for willingness to undergo training in [REDACTED] operations. These people had no great military background and no intelligence experience, and very often their academic work had not been very good, hence their availability.

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Upon return to Washington in 1952, Stewart was asked [REDACTED] to take a trip to the Far East [REDACTED] to acquaint himself with Agency operations in that area. He found FE to be a duplicate of the congested situation in [REDACTED]. "A great many people, a large number of whom were not qualified for intelligence work, were on our rolls as a result of the efforts to develop [REDACTED] operations on a large scale."

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25X1A When Stewart became head of FI and thus head of the FI career service, the impact of the pile-up of people was being felt very severely at Headquarters. Large numbers of these people were being returned from overseas, many of them walking the halls, and many of them were taking positions that better qualified people should have had. One of the principal difficulties facing the CS was to find out who could do the kind of job that needed to be done, who needed greater training, and who should be asked to leave. Some of this sorting out was done at Branch level; the Chief of the [REDACTED], was particularly good at getting people to resign, Stewart said, but in large measure the problem was neglected and many people were at loose ends, including some valuable people. After some time, "we in FI came forward with a proposition that should attempt to analyze its personnel holdings, develop the people who should be developed for future assignment, and weed out the others."

In addition to being concerned with the professionals, Stewart had a large number of subprofessionals in the registry and had constant problems with this group. The rate of loss was very high. The efficiency of the registry, aside from the turnover, was affected by the relatively limited background of people the Agency could afford to take on for this work. During the fifties, there were extensive debates about the future of this kind of work and the election was made to go for a form of ADP. "The CS still had not solved the problem of adapting ADP or the personnel problem. It is very difficult to run a counterespionage file with poorly qualified and not very well motivated people."

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87. OP, Plans Staff, Historical Files. The IG paper was an attachment to a 24 January 1957 memorandum, same subject, to D/Pers from the DCI (General Cabell). Stewart's response came in a memorandum dated 30 April 1957 to the DCI (Allen Dulles). To complete the references associated with these two documents, the 42nd Meeting of the Career Council on 25 April 1957 was devoted to the IG paper and the D/Pers response. As directed by the Council the subject was reviewed in a second annual review based on a brief dated 6 May 1958 prepared by the Director of Personnel for the Council. At the 50th Meeting of the Council on 15 May 1958 the Director of Personnel was given a vote of confidence and told to carry on without further Council review of the job he was doing.

88. OP, Plans Staff, Historical Files, Memorandum for the Director of Central Intelligence dated 24 May 1957. Subject: Chronology of Correspondence, Role of Director of Personnel, from the Director of Personnel.

89. OP Historical Files, Brief for the Career Council. Subject: Review of Personnel Management, 6 May 1958.

90. OP Historical Files, Transcript of CIA Career Council Meeting, 15 May 1958, p. 8.

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91. OP Oral History Project, Tape 5, Statement by [REDACTED] (During Gordon Stewart's regime) the main classification objective was to maintain gross controls of grade levels and away from action by action controls. The name was changed from Position Evaluation Division (PED) to Salary and Wage Administration (SWD) to symbolize the change. The Manpower Control System imposed average grade levels. To raise one you had to lower one.

92. OP/OHP, Tape 12, Statement by Gordon M. Stewart, 7 May 1971. "Within the first three months I had already been around the track once on the major issues confronting the Agency. By the end of the first year I was pretty well settled in my own mind as to what I would try to do while assigned to the Office of Personnel."

93. OP/OHP, Tape 12, Statement by Gordon M. Stewart, 7 May 1971. Some-time in the spring of 1957 Stewart said that Allen Dulles held a dinner meeting at the Alibi Club to which quite a number of key people were invited. The subject was excess personnel in the Agency. Stewart remembers

Chapter III (Cont'd)
93. (Cont'd)

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25X1A that among those present were Cabell, Kirkpatrick, Amory, Wisner, [REDACTED] Everyone pitched in with ideas White, Sheldon, [REDACTED] and suggestions when the Director put the subject out for discussion after dinner and during coffee. [REDACTED] maintained that you could not 25X1A get reduction in the size of any group in government without cutting off its funds. [REDACTED] said that officials would always have as many people on board as they could afford and would always have good reason for keeping them. "Ting" Sheldon, Stewart recalls, followed a series of lame suggestions with the rather humorous one that an organization should be formed to which all misfits could be assigned. Bissell, although Stewart can't recall him saying anything at the meeting, was one who felt most strongly about the subject, and about the necessity for taking decisive action to get rid of excess people. Stewart came away from this meeting with an inaccurate idea of attitudes in the Agency. The Director was outspoken about the necessity for getting rid of deadwood and a great deal was said in favor of this proposition. Those who disagreed obviously did not speak up. "This led me to believe that there was a consensus on this subject and any reasonable measure that we could devise to accomplish a reduction in the Agency and get rid of deadwood would meet with broad support." In any event, said Stewart, this turned out not to be the case. Throughout the whole business of developing the 701 procedure and talking about it with people in the Agency, the only person who spoke up firmly against it was Jim Angleton (veteran operating official who at the time was Chief of the CI Staff). He did not like it because he felt that it would erode our security and also because he believed that almost any decent individual could be used in some useful capacity.

94. OP/OHP, Tape 12, Statement by Gordon M. Stewart, 7 May 1971. One of the main concerns in the mid-fifties was a natural result of rapid expansion in earlier years which had forced the promotion and assignment to key positions of many men who had not been thoroughly checked out. Some made the grade very well. Others continued to occupy these positions hanging on for dear life, very often protecting themselves by knocking those who might be better qualified for the jobs that they held. The problem was in finding ways and means by which this natural consequence of rapid growth could be solved.

95. OP Historical Files, Excerpt from OP November 1959 Study. Subject: A Manpower Control Program for the Clandestine Services.

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96. OP/OHP, Tape 12, Statement by Gordon M. Stewart, 7 May 1971. In developing this material, Stewart said that in order to get the 701 procedures accepted and implemented, the Agency had to make its case for early retirement legislation on the basis of facts. Larry Houston had said that the Agency's retirement legislation proposals had been based entirely too much on the claim that overseas service wore a man out. This claim would not stand up with the House Post Office and Civil Service Committee. By drawing a profile and showing that the average age would go higher and higher as the years passed by, it was possible to make a case based on the needs of the service rather than one based on a reward to the individual for his service overseas.

97. OP/OHP, Tape 12, Statement by Gordon M. Stewart, 7 May 1971. The problem that the Agency faced, according to Winslow (JJW Note: Roy Winslow was an assistant to Rocco Siciliano, Personnel Advisor to President Eisenhower) was to assure that a regular turnover developed, thereby allowing the development and retention of the real talent within the service. The White House assistant held up the Foreign Service as a horrible example of an organization that tried to retain by every means possible everyone, no matter how mediocre, at least up to the point of early retirement. In those days the Foreign Service was going after legislation that would permit retirement at age 45. Stewart was told that they would never get it and that this was the wrong way to go about solving the problem of deadwood. Winslow thought also that we should be able to send people to other agencies of the government.

98. OP/OHP, Tape 16, Statement by [redacted], 21 May 1971. As Chief of the Personnel Assignment Division (PAD) from June 1957 to May 1959, [redacted] said that he made initial studies and comparisons of age and grade structure of the various career services to see which seemed to be out of alignment in terms of distribution of age groups. Analyses of the age distribution were provided to the heads of the career services to alert them to future problems which might emerge if they did not change their practices as to the recruitment of personnel by the various age groups. During the latter part of the tour in PAD, which had been renamed Personnel Operations Division (POD), [redacted] initiated work which was subsequently incorporated in the Agency Manpower Control Program. This included procedures for the separation of personnel who were surplus to the needs of each career service. The program was carefully checked with representatives of the Civil Service Commission and with the President's Advisor for Personnel Management, and the concurrence of both was obtained.

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99. OP Historical Files. The 59th Meeting of the CIA Career Council, 3 December 1959, contains the preliminary discussion of the Manpower Control Program, from which these impressions were taken. Much of the discussion was concerned with the Director's authority to separate people and with the separation compensation feature which [redacted] called 25X1A "excommunicate pay."

100. OP/OHP, Tape 13, Statement by Gordon M. Stewart, 7 May 1971. Stewart felt very strongly from the beginning of 701 planning that it would be possible to rank people by grade in any manageable component of the Agency. "The procedures in the CS called for ranking by Station and then by division and then service-wide ranking. CS went through these steps rather quickly. EE Division did not experience any great difficulty in locating people at the top and at the bottom of the ranking list. It isn't really possible to develop an accurate ranking from top to bottom, putting everybody in their proper position in order. But it is possible to rank within the bottom group. The factors that contribute to this possibility are first the various ways in which people were selected into the CS professional staff. Some men came in as a result of having been picked up after the war as field assistants. These were often young enlisted men who converted to civilian status and who in their first years of service made a very good impression because they were eager, dependable, helpful, and young. The tendency was to promote them beyond their capacity to serve, and even after they were trained it often turned out that they were not sufficiently literate or sufficiently smart to make very much headway as case officers, or intelligence officers at desk level, or as reports officers. Other people came in through the [redacted] program and were not basically suited for the work. Finally there are always those who, despite good credentials and good testing scores, simply did not fit into our line of work. We had a hard time distinguishing between those cases to be selected out under 701 and those that merited separation by adverse action. A number of individuals who were basically incompetent, lazy, or very weakly motivated were included improperly in the 701 exercise."

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101. Ibid. Tape 13, Statement by Gordon M. Stewart, 11 May 1971. Stewart said that a great deal of time was spent in developing a rationale for payments for people let go under the 701 (Separation) Regulation. The idea was that these people were being let go in the interest of the Agency and not because of any failure on their part to perform the duties assigned to them or because of criminal action and the like. The bonus was to help bridge the period between departure from the Agency and reemployment. Stewart did not believe that this required legislation, but he did talk about it with the Congress and held a number of meetings with members of the House Post Office and Civil Service Committee Staff. While not absolutely sure, Stewart believed that Ed Saunders included it in his budget. In any case, some official action was taken in this regard. "By the time we got to writing out the way this bonus would be paid, [REDACTED] had joined 25X1A the staff taking [REDACTED] place. Eck was an old finance man and a great stickler for precision in regulatory material. We finally were able to get an agreed position on the subject but only after Eck had spent many weeks trying one form of control after another. His fear was that the person being let go would immediately move to another job and that the payment made to him would be, in fact, in the way of a bonus rather than a form of support. The final formula was a simplified version of the more elaborate proposals set forth by Eck."

102. OP/OHP, Tape 13, Statement by Gordon M. Stewart, 11 May 1971. "EE Division had no great difficulty in ranking professional people in the various grades and selecting those to be let go. To our amazement we found that once the final decision had been made to let these people go from the CS, a good number of them were picked up elsewhere in the Agency. This is a sad comment on the Agency's ability to handle personnel assignments across organizational lines. These people were obviously just as much available to other parts of the Agency before the engine of 701 pushed them out of the CS, but we had no way of getting them anywhere else except by this means."

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103. OP/OHP, Tape 16, Statement by [REDACTED] 21 May 1971. [REDACTED] stated that the Manpower Control Program and the studies which preceded it pointed out the need to remove some individuals from the hump and to fill in with a larger number of young officers in order to obtain a better balanced structure. The paring away of the hump was done only slightly. However, partly as a result of the studies, the input of younger officers was increased substantially. The age and grade structure today is improved considerably over that which was forecast ten years ago. Part of the improvement resulted from the passage of the CIA Retirement Act, which did cause a number of officers in their fifties and below -- who would not otherwise have left -- to opt for retirement. The Manpower Control Studies, those of the age-and-grade hump, structure, and the personnel hump, were largely the basis for the justification of the CIA Retirement Act.

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104. Ibid. Tape 13, Statement by Gordon M. Stewart, 11 May 1971. Stewart stated that he was given an understanding by certain senior personnel officers (he mentioned Messrs. [REDACTED]) of wage and classification, of personnel

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and [REDACTED] particularly) of wage and classification, of personnel rules, and of procedures governing hiring, promotion, separation, and assignment matters, of T/O's, and of all the rest in every area in which "we had to think our way through to a CIA way of doing business." He also was given very interesting and solidly worked out options.

25X1A 105. OP/OHP, Tape 16, Statement by [REDACTED], 21 May 1971. 25X1A

[REDACTED] said that the development of the Manpower Control System now covered in Regulation [REDACTED] actually started in 1955 and was developed during the subsequent five years. The system provided for the identification of all T/O positions according to the career service responsible for staffing the position. It provided for a staffing complement for each organization unit which included all the work load positions. These were productive positions filled by people on the desk or on duty. It also provided for a development complement which was the non-work load complement. In it were placed individuals who were not contributing to the actual work load of the component on a day-to-day basis according to the work load requirements. By having a position designated as flexible, if the work load was increased in a unit, a new person could be assigned to the flexible position without changing the staffing complement. This system of fixed and flexible positions has continued to the present time and has proved to be a practical means of managing a table of organization.

25X1A About 1958, [REDACTED] continued, it was proposed that the personnel ceiling would be allocated not to organizations but to career services and would be managed by the Career Service. Thus a T/O for an area division in the CS might include a ceiling for CS positions which would be administered by the DDP. It would also include a ceiling for support positions -- logistics and finance -- which would be controlled by the head of the Career Service of the parent office involved. This system was not actually adopted due to a number of complications that arose in attempting to work out procedures that would apply. He also said that since promotion and recruitment were determined by the Career Service a means of over-all control called the Career Service Grade Authorization (CSGA) was established. The CSGA consisted of a tabulation by grade of all positions designated to a career service regardless of the T/O on which they are located. This means that the Personnel CSGA, for example, included all the positions by grade located in the central office and located in other components of the Agency. By making this tabulation the Personnel Career Service could compare the number of positions by grade with the authorization at each grade level and know the promotion headroom. Likewise the CSGA would show those grades in which there were shortages and provide a guide line to be used for recruitment actions. The CSGA continues in existence to the present time (1971) and has provided a reliable method of controlling promotions. [REDACTED] said it was consistent with the Personal

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Rank Assignment procedures in that when headroom exists in the CSGA an individual may be promoted to the grade in which the headroom exists even though the grade of his position may be lower. This has been an essential part of CIA's competitive promotion system, according to

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106. OP/OHP, Tape 13, Statement by Gordon M. Stewart, 11 May 1971. Stewart said that he was very conscious of the degree that the Agency was "constipated" with extra people so that he would not yield to any pressure to increase the rate of recruitment. It was kept fairly low throughout the time he was in office.

He was also not a believer in the Consultants Program. (JJW Note: These were the academicians, deans, and department heads whom the Agency had on various campuses (as many as fifty) mainly to spot JOT candidates. It was discontinued in 1968.) Stewart remembers that Agency recruiters got very little direct help from the consultants, although some may have been helpful when direct questions about individuals were put to them. There was no case which Stewart recalls when the consultants did what they were supposed to do: finding a young man with qualities that CIA would like to have and talk him into employment with the CIA. He said that another aspect of the consultant business was that these men were very happy to have this relationship with the Agency. "It made them appear a little bigger in the eyes of their colleagues back on the campus, and they were not at all eager to give it up. They enjoyed coming to Washington and the briefings. They were a very pleasant group of people, and the Agency hung on with them in the hope that by some means or other we could warm them up to their jobs."

107. OP/OHP, Tape 14, Statement by [REDACTED] 13 May 1971. 25X1A Upon return to Headquarters (October 1958) [REDACTED] said he was assigned 25X1A as Chief of Recruitment, which was then located at 1016-16th Street. The staff was still organized in groups for clerical and professional recruitment. The field recruiters were still seeing people, interviewing some, obtaining papers, and forwarding them to Headquarters; and then they were never told what happened to their job candidates, even though they were being rated as to how they performed by the number of EOD's who came aboard. For this reason and because it became evident to [REDACTED] 25X1A that there was not a full-time job in becoming Chief of Recruitment, he mentioned to the Director of Personnel (Gordon Stewart) that he [REDACTED] 25X1A would be glad to take over placement in the interest of the men in the field. They would have their placements supervised by the Chief of Recruiting, or as an alternative, he would step out as recruiting chief 25X1A and let whoever had placement [REDACTED] was Chief of the Personnel Operations Division) take over the recruiting function as the situation 25X1A did not require two senior men. Stewart decided that [REDACTED] should be 25X1A

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Chief of the combined unit, Recruitment and Personnel Operations, as it was then called, and bring the two together. This arrangement was established in Curie Hall in May of 1959, although the pool and ██████████ stayed at 1016 16th Street. 25X1A

108. OP/OHP, Tape 13, Statement by Gordon M. Stewart, 11 May 1971. At some point, Stewart said, he assigned ██████████ to draft revisions of the regulations, a painful job but worthwhile. The regulation on grievances was most lengthy. It had been copied from Civil Service procedures and was reduced drastically. Regulation ██████████ 25X1A

██████████ was the most ambitious regulation to come out of Personnel. The flexible T/O was nothing more than an acknowledgement of the real state of affairs in the Agency, particularly the CS. The Career Service Staffing Authorization, when matched against statistical material on Personnel in the Career Service, was a sound basis for career planning. Stewart did a good deal of talking about this throughout the Agency and even gave a briefing on it to the Civil Service Commission. The regulation on overtime stated that professional people would earn overtime only after they had contributed eight hours per week. The C/OPS/DDP ██████████ 25X1A felt very strongly about this regulation because it had come to his attention that people came to work at eight thirty, took a comfortably long, lunch, waited around until six, charging an hour as overtime.

██████████ had the feeling that some people showed up in the building on weekends merely to come in out of the rain. He had no idea why they were there and what the importance of their work actually was. These rather negative views were held about certain individuals. In general the belief was that the Agency was a career service seeking certain benefits which would put it on a level with the Foreign Service and the military service, and for this reason management had every right to expect that its people would not be watching the clock and counting every hour. The reason for paying overtime beyond the eight hours was that the Agency did impose on some individuals beyond reason and therefore should pay them accordingly.

109. OP Oral History Project, Tape 12, Statement by Gordon M. Stewart, 7 May 1971. "I developed a genuine respect for a substantial number of men in the higher positions in the Office of Personnel . . . I found Messrs. ██████████ to be well

informed, stimulating, imaginative, and experienced . . . Among the men mentioned were experienced administrators and pragmatists such as ██████████. Others were more familiar with the theory of public administration as it bore on our problems, and these would include ██████████ 25X1A

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110. OP/OHP, HSHC 424, Tape 17, Statement by [REDACTED] 14 June 1971. [REDACTED] stated that his activity in the year he was in DDS&T related to the recruitment of top scientists, bringing them aboard to run the various new components. Much of the recruitment was from the scientific fraternity. Bud Wheelon (DDS&T) or Carl Duckett (A/DDS&T) would personally contact people they knew and make direct offers of Agency employment. The scientists and engineers who came in at this time (1963) were not as Agency oriented as the people who were recruited at a fairly young age for the DDP, the DDI, and elsewhere. Most were established men in their disciplines, who were attracted by the kind of programs being mounted in DDS&T. They would come in at the request of Messrs. Wheelon or Duckett to help get the programs off the ground; and at the conclusion, successful in most cases, they would look elsewhere for challenging or interesting assignments within their scientific fields. Many were young men who were highly graded in terms of their colleagues elsewhere in the Agency -- for example, a twenty-six-year-old GS-14. They did not remain with the Agency nor could they have been expected to remain. There were no personnel officers in the components. [REDACTED] in the front office (of DDS&T) were handling all the paper work of bringing the people on board. Jack [REDACTED] was Executive Officer, but most of the time [REDACTED] dealt directly with Wheelon on personnel matters.

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111. Inside Bureaucracy by Anthony Downs, Little Brown & Co., Boston, Massachusetts, 1967, p. 264.

112. OP/OHP, Tape 23, Statement by Emmett D. Echols, 26 August 1971. Echols' first exposure to the recruitment and selection process and to the advancement program came as a member of the Personnel Review Committee of SSU along with Bill Kelly and [REDACTED] in 1946 in connection with his work on contractual employment and administration of covert personnel. He said that it became apparent that each and every component had different concepts of equitable compensation and benefits granted to agents. Different categories of people had to be standarized and classified in order to work out comparability of emoluments which led to the development of the fourteen categories of employees, CFR XIV of 10 August 1951, and a limitation on the range of emoluments that could be given to each of these classes . . . Then in 1956 as Deputy Chief of Administration for the [REDACTED] Echols found that the Station

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utilized many hundreds of people, not only staff employees but military personnel and foreign national agent personnel . . . Tables of organization were dreamed up and approved by Headquarters, and the field was supposed to conform, and yet the practicalities of field operations required on-the-spot assignment and reassignment of personnel. Echols' job was to persuade Headquarters to give the field authority to assign and reassign people. He was also appalled by the fact that hundreds of wives of overseas employees were engaged by verbal contract . . . each chief of base was exercising the authority to hire . . . and determining what salary they would get. There was no concept at the time that these employees would have any benefits other than salary, and as the years went by it became apparent to Echols that these people were legally as government employees entitled to other rights such as overtime, leave, and ultimately retirement benefits. This necessitated some standardization of employment salaries and the development of a program to administer the promotion, advancement, and reassignment of these people. . . A further issue that got Echols very much involved in personnel work was the rigidity of Headquarters in its adherence to normal government travel regulations and overtime regulations . . . The situation led to a series of proposals designed to remedy these deficiencies which apparently impressed Headquarters with Echols' concern for personnel matters. In any event when Colonel White visited [redacted] just before Echols returned home (in 1958) he dumbfounded Echols by the offer of the Deputy Director of Personnel job with the prospect of becoming Director of Personnel when Gordon Stewart returned to the Clandestine Services (JJW Note: It was from that job that Echols moved to the Director of Personnel post in June 1960.) 25X1A

113. OP Historical Files, Plans Staff. Memorandum for Deputy Director of Central Intelligence from the Director of Personnel. Subject: Man-power Control Program, 6 November 1959. Quoted in part.

"The traditional approach to a large scale reduction or staffing change is to do it as quickly as possible, and then start afresh. Take your public beating, and expect that the incident will soon be forgotten. This approach has merit and should be followed in solving part of the problem of the Clandestine Services. There should, in other words, be one reduction of surplus personnel and every effort should be made to include in it all persons who can be spared at that time. This would then be followed by a lively selection-out and early retirement program which would meet the further requirements of the service.

"a. It is our opinion that the initial sizeable separation action will have a profound effect on morale. The Clandestine

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Services Career Service is a tightly knit group. Popular officers will of necessity be included among those to be separated. At the same time there is a strong feeling of frustration widespread among the best Clandestine Services officers which has its origin in the Agency's apparent inability to solve the manpower problem. On balance, it is our estimate that no permanent harm will be done to the Clandestine Services by undertaking a broad separation action.

"b. Annual selection out will never be popular. It is not popular among those services that practice it. It will be an obstacle to recruitment, but one that can be met. Over a period of time, we will be able to develop and expand information programs and services that will help employees adjust their thinking to selection out."

25X1A 114. Data Furnished (1971) by Chief, Clandestine Services, Personnel Division (CSPD), [redacted] from report in his files.

25X1A 115. OP/OHP, Tape 16, Statement by [redacted], 21 May 1971. In 25X1A late 1961, [redacted] was assigned to the CSPD and took the job, he said, about one week prior to the notification of some 150 individuals that they were being separated from the Clandestine Services as surplus to its requirements. The final listings of people to be separated had been pending final approval by the DCI for a great many months. It was understandable that a great many individuals were not prepared to be notified that they were to be separated from the Agency. Initially all the individuals in this group were given a one-year grace period if they could retire on an annuity. Later this was extended to two years. A number of individuals appealed these actions, and the Director upheld a substantial number of these appeals. A fair number of officers whose appeals were upheld have in subsequent years performed at a very mediocre level and today still represent some of our problem personnel cases. Initially the 701 Program was developed for the one purpose of improving the long-range age-grade structure of the Clandestine Service and to take away part of the Hump. In its application, emphasis was placed on removing officers whose occupational skills were no longer needed and on those who were marginal performers regardless of the nature of their skills. A good number of [redacted] officers were 25X1A listed in the low percentiles of the 701 Program and were separated under it.

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25X1A 116. Five Views [REDACTED] L. K. White, [REDACTED] Echols, and Baird) on the 701 Program taken from the OP History Project.

25X1A Tape 15, Statement by [REDACTED], 13 May 1971. Before coming to the ultimate stage in the 701 procedure (separation) the Personnel Operations Division (of which he was Chief in 1961-62) found itself,

25X1A [REDACTED] said, in the position of having to review files, interview people, and do its best to arrange reassessments to other Directorates. The Special Placement Committee participated in this process with POD. The nitty-gritty of the actual assignment, for example, out of CS into the DDI areas, was carried out by POD. Assignments were the result of some extremely conscientious work on the part of personnel placement

25X1A officers. [REDACTED] was the deputy. [REDACTED] was Chief of the 25X1A Personnel Placement Branch, but the entire shop found itself participating in the file review . . . POD was at the very end of the line in terms of the procedure followed . . . "I ended up personally feeling that there were people on the list for dismissal who should not have been and that there were people still in the employ of the Agency who should have been on the list . . . I don't know a better way to cut out deadwood, but I personally found a certain amount of that exercise terribly offensive."

Tape 18, Statement by Lawrence K. White, 26 July 1971. "For years the Clandestine Services found people that they judged were not satisfactory, but they were very reluctant to say that the man was unsatisfactory for the Agency, and they stopped short of actually firing him. In the early days a number of these people did transfer to other components, but they were not people of talent or potential by and large. This policy came to a crashing halt when the other Directorates refused to help these people . . . The DDP (Richard Bissell) was very critical, in fact vociferous, about the inability of the Agency to get rid of people and laid down the challenge. If he was given a system he would follow it. So the system was developed, primarily by the Director of Personnel (Emmett Echols) with the assistance of the General Counsel. The system was a workable one . . . we were not trying to prove that these people were unsatisfactory . . . simply that we no longer had need for their services and were therefore going to let them out with up to a year's severance pay not to exceed the top of the GS-14 . . . The Agency did not lose very much (by the 701 Program) . . . The people who were let go really did not contribute very much to the Agency and never would. . . This is not to say that the Agency was all right and they were all wrong, but by and large they were not very good people . . . but it was a bad exercise in many ways. It would not have been nearly as bad if General Carter had not taken exception to the whole thing and almost turned the tables around."

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Tape 20, Statement by [REDACTED] 30 July 1971. It was Dan [REDACTED] who had the responsibility of telling each individual that he had been declared surplus to the Clandestine Service and was going to be turned over to the Office of Personnel for further administrative action. In OP the cases were handled by [REDACTED] SAS (Special Activities Staff), which conducted personal interviews with these people and told them they would be separated unless they could be placed elsewhere outside their Directorate in thirty days. Each of the 701 cases was referred by SAS to POD who took this responsibility seriously and reviewed each case against the current recruiting requirements outside the CS, mostly in the DDI, and started to make referrals. SAS and D/Pers, who at that time was Emmett Echols, were quite shocked at this and indicated that they thought that POD would make a quick review and sign off that there were no suitable assignments . . . However, D/Pers agreed to the referrals, and some thirty-five placements were made . . . A good many cases that came up under the 701 exercise should have been handled on an involuntary separation basis, but there was a great reluctance on the part of operating components and supervisors to come to grips with bringing charges . . . In many cases the circumstances that could have been documented were long since past; no action had been taken at the proper time, and the tendency was to sweep all these people in as though they were surplus, in effect to say that these were good people but surplus to our requirements.

Tape 23, Statement by Emmett D. Echols, 26 August 1971. A major objective of the 701 Program, Echols said, was to accomplish the release of surplus personnel without any stigma attaching to the individual . . . the net of this process (ranking and reassignment) would be the ultimate identification of that body of employees who were least useful to the Agency through no fault of their own. In practice, lots of things happened . . . and as subsequently turned out, a great deal of bias and prejudice existed in the selections and identifications. The fact that notoriously inefficient problem employees were in the category of surplus unavoidably gave a stigma to the entire process . . . All in all, Echols' judgment was that perhaps five percent of the selections were erroneous and another five percent were not nominated because of intense feeling of loyalty and friendship . . . In addition to reviewing employees in terms of such things as past performance, fitness reports, and general reputation, a further criterion was provided for breaking ties; that was the individual's potential for further growth. The emphasis in the Agency at that time was on personnel development through training, job rotation, and a constant upgrading of the caliber of Agency personnel. By giving weight to the criterion of potential for further growth the concept of building

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for the future would be strengthened. The adoption of this criterion was, in effect, a tiebreaker designed to foster the long-term improvement of Agency staffing . . . One of the major values of this program, as it finally worked out, was that it did establish once and for all the legal right of the Agency to conduct a reduction in force without regard to the special preference regulations of the Civil Service Commission, according to Echols.

Tape 22, Statement by Matthew Baird, Director of Training (1950-1966), 11 August 1971. "Another reason why the original proposal for the establishment of a career corps did not work was because it put a premium on quality. It recommended the advancement of those proven able and the discard of those who could not cut the mustard. This is not done in CIA no matter how many times one hears that it is. Witness the much maligned 701 Program." Baird followed through on this program, getting rid of many GS-14's and 15's who never should have been promoted to these grades. Most of these men have come to Baird since that fateful year when the 701 Program was put through and thanked him for giving them a new start. "Yet these 14's and 15's were people who had been in the Agency a long time, had not developed, seldom expressed a new idea, had folded their tents and were resting; and in addition were holding down valuable slots which could not be used to promote others who were more deserving. But General Carter (the DDCI), when speaking of the 701 Program two or three years later, described it in a most derogatory manner and said that as long as he had anything to do with it there would never be another 701 exercise."

117. OP/OHP, Tape 23, Statement by Emmett D. Echols, 26 August 1971. It was Echols' job to present and sell proposals to the Career Council. Generally these proposals were presumed to be originating with the Council, and Echols was to attempt to carry out the proposals to their satisfaction for Agency adoption. In practice, Echols found in 1962 that the Council was almost useless in that it did not generate proposals. It was very difficult to get agreement from the Council members, and most specifically Echols found that the real decisions were not made by the Council at all but were made by the Inspector General (Lyman Kirkpatrick), the DDS (Colonel White), and the Director. Consequently, he in effect would present his ideas to the DDS, who would kick them around with the Director; sometimes the latter would bring the IG into the act as a long-time focal point of interest in personnel matters, and then the decisions would be made at that level. Colonel White, however, was very anxious to perpetuate the idea of a Career Council primarily as a political means of melding Agency opinion. In practice, Echols did not bother with

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the Career Council for reasons just mentioned. One of his quicker and better ways to get action was merely to deal with the principals having the most influence, and over the years Colonel White was always admonishing Echols for letting the Council be by-passed, and kept prodding him to use the Council more, and frankly, "I just didn't do it."

118. OP/OHP, Tape 18, Statement by Lawrence K. White, 26 July 1971. Concerning the disappearance of the Career Council in 1962, Colonel White said that the thought was that the Career Council had done a good job, had set up and gained acceptance for a career service system, all the career services were set up, the machinery was in place to accept people into the career service, so it seemed that their job was done. While the Council was in action, the Director of Personnel was very far down the line behind the "salt and pepper" somewhere. It seemed to Colonel White that it was time for the Director of Personnel to have more prominence in the system, to take over and administer the system which the Career Council had set up. There should be, however, some representation from the Directorates that the Director of Personnel could use to advise him about career service matters and personnel management generally, so the Personnel Advisory Board was set up. PAB had on it a senior member from each of the Directorates, maybe more than one because there was at least one woman on the Board [REDACTED] to make 25X1A sure that the affairs of the women were not neglected. "It was a disappointment to me that this Board never amounted to much, and I can only attribute this to the fact that Emmett Echols never really liked the Board concept much and he just did not use it. They were advisory to him and since he never called a meeting they just went out of existence."

119. OP/OHP, Tape 18, Statement by Lawrence K. White, 26 July 1971. "As to how these questions of personnel policy are handled now, the Director of Personnel does not command anything around here except the people who work in the Office of Personnel; the real decisions are made by the Deputies, by the Executive Director, or by the Director in a very authoritative manner. I have a meeting with the Deputies and the General Counsel and the Inspector General and more recently the Director of the NIPE (National Intelligence Programs Evaluation) staff and the Chairman of the Board of National Estimates every other week. Anything that is a management problem for the whole Agency is put on the agenda. It may have to do with resources or it may have to do with the employment of husband and wife and the like. The experience is that more than half of the agenda items have to do with personnel management. The sessions are very candid, and if we don't reach agreement then I have to reach a

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decision or make a recommendation to the Director as to what the decision might be. This is a very authoritative way of doing business and in fact more effective than the old Career Council ever dreamed of being."

120. OP/OHP, Tape 22, Statement by Matthew Baird, Director of Training (January 1951 - January 1966), on 11 August 1971. Baird said that he was a member of the Career Council from its inception, and never allowed any other duty to interfere with attendance at the meetings. He stated that in concept it was a most important organization and it is not clear why it folded in 1962. The reasons may be that regardless of what it decided the person having the actual authority, other than the Director, did what he chose to do regardless of the Council. If a Deputy Director or an Office Head figured he knew better and could get away with doing what he wanted to do without it being brought to the Director's attention he often did it. Other members of the Career Council, particularly those who were heads of their own career service and had been personally responsible for some of the policies of that career service, found it no impediment to go along with the directives of the Career Council. It was also about this time, 1962, when the Council folded, that Lyman Kirkpatrick had come to the conclusion that those who would profit by the Career Council did not need it, and that the Council would not profit those who would not accept its dicta. The Career Council, after all, was advisory to the Director. If the Director took no particular interest but delegated the authority the Career Council had outworn its usefulness. What probably happened was that Lyman Kirkpatrick when briefing McCone (JJW Note: Appointed DCI November 1961) told him that he thought the Career Council had outlived its usefulness and that too many high graded people were spending too much time in Career Council meetings and that he as Inspector General could oversee in a general manner the individual career services, to make sure that no one took too violent exception to the principles of the Agency. Baird supposes that he should be more happy about the accomplishments of the Career Council since he had a lot to do with it, but he now feels that it had a high sounding name and supposedly high sounding responsibilities when really behind it all there was a certain amount of tongue-in-check phoniness. What the Career Council really needed was once or twice a year to have the Director appear before the Council and say, "Goddamnit I want this or that accomplished and I want it accomplished this month. This would have meant something to everybody present. It was never done."

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121. OP Oral History Project, Tape 23, Statement by Emmett D. Echols, 26 August 1971. Echols said that among the issues under study when he took office in 1960 was that of the Career Staff . . . The primary advocates of the Career Staff concept, with its emphasis on overseas service, were the DDP officials who indeed envisioned an elite corp of Agency employees who were committed to and dedicated to overseas service and for whom a separate program of administration and benefits would be offered. Other Agency officials who were not primarily concerned with overseas service were violently opposed to the concept and felt, as did Echols, that it would divide the Agency into two classes of employees, first-class employees for whom special benefits and special obligations existed, and other employees. This Echols felt to be highly divisive and destructive of Agency morale, so in devising the regulations he abandoned the narrower view of the Career Staff and merged it with the career-services concept under which the head of each Agency component primarily concerned with an area of vocational specialization became the head of the Career Service. The career-service administrative program -- that is, the employment, training, assignment, and development of personnel within the career service -- was superimposed upon the command structure and yet remained separate therefrom. The head of a command element most concerned with an area of vocational specialization managed the careers of all employees whose vocational interest and experience lay within a given career service. In revising this concept and making it a working system, Echols altered the regulations, deleting the words Career Staff, and got the approval of the Director. The change in concept went unnoticed for several months, when it was suddenly discovered by senior DDP officials; then there was an immediate hue and cry. They felt that this diminished the prospect that those concerned with overseas duty would be able to develop a substantial program of better benefits for certain personnel in return for the sacrifices they were making in serving overseas, and a protest was made immediately to the Director. Echols was called in by the Director and asked to explain his reasons for making the change -- his reasons being, as stated, that career service and career management had to be Agency-wide, and although each career service might have conditions of service warranting special benefits, they should evolve as they could be proven to be necessary for each and any career service. The Director (Allen Dulles) supported Echols in this approach, and the program as revised continued in its development. This work was largely accomplished by Echols with the assistance of [REDACTED] Echols knew what the Agency was after; as secretary of the Council he also knew the dichotomy of views on the Council, having been assigned by Gordon Stewart to reduce the decisions of the Council to regulations and procedures.

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122. OP Historical Files, Plans Staff. Memorandum dated July 1962 to Task Force on Agency Personnel Program from Emmett Echols.

123. OP/OHP, Tape 24, Statement by Emmett D. Echols, 26 August 1971. "The history of personnel administration, and indeed any kind of administration in the CIA, discloses a chronic attitude on the part of operating officials which perhaps is unique to intelligence. First of all there is the matter of secrecy, leading operating officials to try to conceal everything that happens within their units from any external office. Second, there was the attitude that operational activities are all-consuming of the time and energy of operating officials. They should not be bothered with the trivialities of administration; therefore such administrative responsibilities that they could not avoid they tended to delegate to some low-ranking subordinate. Yet during this period the Agency was constantly attempting to improve personnel administration, the development programs, fitness reports, honor awards programs, training programs--all designed to improve the caliber and qualifications of our personnel. The entire history of administration has been an uphill battle against these natural tendencies on the part of operating officials. It became apparent over the years that compliance with the major personnel policies was characterized by lip-service and very little thoughtful attention. Truly, part of my job was to force operating officials to give sufficient amount of their time to the personnel policies of the Agency. The best way to do this was not by issuing directives and orders and regulations or even exhortation by the Director but rather by monitoring the effectiveness with which operating officials were carrying out the Agency's personnel programs, identifying the deficiencies, or the non-performers, and thereby bringing heat to bear on them to do the job as it should be done. Since there was no general acceptance that the Director of Personnel or his office had any role insuring compliance of operating officials, it was necessary to delineate a monitoring function and to establish a channel through which the Director of Personnel could report on deficiencies."

124. OP Historical Files, Survey of D/Pers Monitoring Responsibilities, February 1962.

125. OP/OHP, Tape 24, Statement by Emmett D. Echols, 26 August 1971. In July 1962 in the face of many criticisms of the functioning of the Office of Personnel, or the non-functioning thereof, Echols analyzed the problems and failures and reached the conclusion that the failure of many of our personnel programs to function properly was due to the excessive autonomy and parochialism of operating elements. At the same

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time he recognized that his own organization elements were staffed by people lacking the insight, energy, and creativeness necessary to push the various programs of the Agency to successful conclusions. He asked for a greatly strengthened upper echelon staff for the Office of Personnel. In response to his appeal for first-class personnel, Echols was given a roster of the best administrators in the Agency regardless of vocation, and he selected [REDACTED] and 25X1A

25X1A [REDACTED] was denied to Echols because of other pressing demands for his services, but the other three were brought in. Echols said that he really thinks in retrospect that it was not until this new group of people came to his assistance that real progress began to be made in our recruitment program, personnel planning program, and in monitoring the Agency's personnel activities. Prior to this point Echols had not had a Deputy and was indeed greatly overworked in his diverse responsibilities and the appointment of a Deputy made a great difference. The specific request was made for a DDP officer as the Deputy Director of Personnel for the sole purpose of bridging the gap between the DDP as an operating element and the Office of Personnel as an administrative element, so the search was for a competent man who had the confidence and indeed the personal friendship of a large number of senior DDP officials. [REDACTED] was the choice in this respect. (JJW Note: [REDACTED] was Deputy Director of Personnel from October 1962 until April 1966.) This proved to be a very shrewd move and very productive in the long run, according to Echols.

126. OP Historical Files, Memorandum for Executive Committee from the Executive Director. Subject: Report of Task Force on Personnel Management in CIA, July 1962.

25X1A 127. OP Oral History Project, Tape 5, 30 June 1971, Statement by [REDACTED] said that the most frequent reason given for the supergrade expansion of the early sixties was the poor comparison between the DDP positions [REDACTED] 25X1C

25X1C [REDACTED] 25X1C However, the chief reason for the explosion in 1962 was the DDS. Colonel White felt that he had developed an extremely good support corps--people like [REDACTED] 25X1A [REDACTED] and others--who had been in grade a long time and he had no way of rewarding them. So at this time the DDS determined that a sizeable increase in support supergrades should take place.

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25X1A 128. Ibid. Statement by [REDACTED] One consequence of the expansion, [REDACTED] said, was the end of previous attempts to get the number of positions and the ceiling the same. They never have been equalized, even up to today; the discrepancy has been in favor of the positions. This causes some difficulty with the incumbents. Everyone sitting in a supergrade job cannot be accommodated at one time. The establishment and administration of a supergrade ceiling can cause many difficulties. There are, for example, some 55 supergraded people PRA's (Personal Rank Assignment -- that is people of supergrade rank in lesser or non-supergrade positions) which seems to indicate that the right people are not promoted, or that the positions are not allocated properly, or that there are too many of them. [REDACTED] believes that the Agency does not have corresponding stature of job responsibilities to go along with the increased stature in pay and other accouterments of office. "The cheapening of the grade structure, which does not occur at supergrade level only -- in fact at the middle-grade levels of 11, 12, and 13 there are some serious deficiencies -- in the long run leads to morale problems. We must try to give our people work promotions and responsibility promotions at the same time we give them pay promotions and status promotions."

129. OP/OHP, Tape 9, Statement by Lawrence K. White, 5 March 1971.

130. OP Historical Files, 15 May 1962. Memorandum for Director of Personnel from Chief, Personnel Operations Division, OP [REDACTED]. 25X1A
Subject: Projection of Recruitment Workload.

131. OP/OHP, Tape 21, Statement by Robert S. Wattles, 3 August 1971. "The first thing that can be said about Advance Planning is that there has not been any until the last few years. The whole philosophy in the early days of the Agency was one of growth, a big impetus from the Korean war, sky was the limit, money was free. If we needed more buildings, we got them; if we needed more people, we got them; and whenever anybody had a new idea and it was not a matter of taking somebody on board to do it, we simply went out and hired some more people to do it. With this whole philosophy running through the entire Agency, when the day came that somebody really put the brakes on, the Bureau of the Budget set ceiling figures, average employment figures, average grade controls; the line managers did not know what to do . . . On the matter of planning there was no long-range analysis, and in retrospect this was something that George Meloon said a long time ago, that we were going to reap the whirlwind one of these days. Up to 1962 at least, there was no attempt to plot what was happening with input. About this time it is true that [REDACTED] in the Plans Staff had plotted the hump, but [REDACTED]

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must have been a prophet without honor in his own country because he was not getting much attention. Certainly if we were as smart in the sixties as we think we are in the seventies, we could have done a much better job of long-range forecasting, rate of turnover, natural attrition, forced attrition, and rate of advancement in the service, and therefore the rate at which you put them in at the bottom; given the fact that we have a philosophy of a competitive service in which most of the professionals came in at the bottom and developed up through the system. But the line managers were not on board with this and nobody else was forcing it."

132. Office of Personnel Memorandum (OPM) 1-14-2, dated 15 October 1962.

133. OP/OHP, Tape 17, 14 June 1971, Statement by [REDACTED] 25X1A
"Placement has always been a problem area for the Office of Personnel. There was the residual feeling on the part of many placement officers that their function in passing on qualifications had more substance than it really did. It was an area in which the Office of Personnel came under great criticism for any number of reasons, largely from the CS and their feeling that OP represented a Civil Service Commission approach to personnel management that had no place in this Agency. Many of the placement officers objected to the promotion of individuals out in the various components or would object to planned assignments, all of this reflected in the processing of the 1, 154 Personnel Action Forms. These objections the placement officers would bring to their superiors, and a pecking contest would result. The situation dated back to basic procedures in personnel management from the beginning that did so much to separate this Agency and still exists today in terms of the career service and organizational barriers. The heads of the career services were responsible for personnel management within their jurisdiction, and the Director of Personnel was not. There was no room for objection to promotion in which the head of the Career Service had concurred or had taken the action, or to the deployment and training of his personnel. This left very little for the placement officers to do except authenticate actions in the sense of their being technically correct in relation to Agency administrative regulations. The placement officers became paper pushers and file carriers. Attempts were made at post entry-on-duty (EOD) of supervisors and employees. More often than not these attempts gradually withered away, and return was made to the simple business of signature on the 1152's, Personnel Action Requests, the briefing of EOD's, the movement of files in an attempt to reassign employees for one reason or another, and the passing around of applicant files in an attempt to find takers for those that the recruiters had contacted in the field.

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There is still some confusion today as to the nature of the placement function. So long as the responsibility for the management of the career of Agency employees lies in the hands of the heads of the Career Services, the placement function is never going to be clearly defined."

134. OP Historical Files. Action Memorandum A-378, 19 May 1964.
135. OP/OHP, Tape 21, Statement by Lawrence K. White, 26 July 1971.
136. OP Historical Files. DDS Memorandum for the DDCI, 5 October 1964. Subject: Inspector General's Report of the Survey of the Office of Personnel.

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138. OP/OHP, Tape 20, Statement by [REDACTED] 30 July 1971.
"As an operating personnel officer, in very short order you discovered that your real function was to support the policies and practices of the operating component. If the operating component chief wanted something done then the personnel officer was his personnel officer and was expected to carry through. The loyalty of the personnel officer was expected to be to the component head, and there was very little contact or direct association or communication with the central personnel office. This was an evolution of the concept supporting the component." (JJW Note: [REDACTED] statement illustrated the situation which Wattles tried to bring back into balance.)

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139. OP/OHP, Tape 21, Statement by Robert S. Wattles, 3 August 1971.
Very important, said Wattles, was the matter of getting personnel deeper into the computer business, which turned out to be mostly a matter of exploiting the peculiar and very rare and strange talents of [REDACTED].

Wattles discovered that he had in Mary a very intelligent woman with a degree in math and a degree from Fletcher (Fletcher School of Law and Diplomacy, Tufts University) in foreign affairs, and she and [REDACTED] were attempting to put the Form 50, personnel action, on the machine. Wattles got quite an education from Mary and Bill and ended up sending Mary and Monty [REDACTED] off for a full semester of training by CEIR in programming and computer technology and data processing. After they got back and were working,

particularly Mary and [REDACTED] on the machine Form 50, they made Wattles aware that there was going on in the support field the development of a lot of data systems, some of which were IBM based and some of which were RCA based, with Personnel and Finance on the RCA. Wattles became conscious of the fact that Security, Training, Medical, Finance, Personnel, and Logistics were developing data systems unrelated to each other, and without regard to each other; and he raised with the DDS the possibility of getting somebody on his staff to take a look and try to pull them together, which may have had something to do with kicking off what is now SIPS (Support Information Processing Staff). Wattles said that at some point along the line the DDS (Col. L. K. White) sent [REDACTED]

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[REDACTED] off to school, and [REDACTED] became the honcho for this effort. The action may have been in the cards anyway, but Wattles did become very much concerned over the fact that we were going to be duplicating ourselves all over the place. The ADP effort was something that started when Wattles was in POD and grew out of the records and control function of POD. It was not unrelated to the business of the day-to-day count. "If we had had a good machine-data system back in 1962 and 1963 when the squeeze came on, we would have been in a much better position as

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against people sitting down each day hand counting personnel actions, EOD's and separations, in order to get a day-by-day, component-by-component gains and losses figure."

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25X1A 140. OP/OHP, Tape 20, 30 July 1971, Statement by [redacted]. 25X1A (Upon return in 1967 from [redacted] as Chief of Support) [redacted] was assigned as Deputy Chief of the Retirement Counseling and Placement Task Force. Dr. [redacted] was Chief, and there were two officers from each Directorate on it. The purpose in setting up the Task Force was to somehow come up with a program of pre-retirement preparation and assistance because of the negative impact of the age-sixty retirement policy. There were terrific reactions from people coming up for mandatory retirement; their argument was primarily lack of lead time. In the latter part of 1968 the Task Force job was to fact find, research, and analyze the existing retirement programs, the effectiveness of them, and to come up with recommendations across the board. On 17 March 1969 the Task Force as such was terminated, and the Retirement Affairs Division was formally established. This pulled together all the retirement service elements of the Office of Personnel under a single division -- pre-retirement counseling, retirement processing, and the post-retirement assistance program of job placement -- and that is essentially the way the division is set up today.

141. Elements of Public Administration, Edited by Fritz Morstein Marx, Chapter 24, Personnel Standards, Milton M. Mandell, P. 544. Prentice-Hall, New York, 1946.

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CHAPTER V

Sources

25X1A 142. OP Oral History Project (OP/OHP), HSHC 424, Tape 20, Statement by [REDACTED] Chief, Plans Staff, OP, 20 October 1971. Key personalities associated with the staff back-up to the career task forces

25X1A [REDACTED] was on the work group within the staff -- Research and Planning Staff (RPS) -- connected with research studies and regulatory changes for the career task forces which at that time were under the immediate leadership of [REDACTED]

25X1A who was Chief of the Career Development Staff, OP, and Executive Secretary of the Career Board . . . The study group knew that positive proposals coming out of the various task forces could very well culminate in legislative requests . . . The immediate concern was with issues like retirement, career service, career staff membership,

25X1A and one or two others; but [REDACTED] became more actively involved in the general proceedings of the activity once the task-force proposals were concluded and the effort moved into the phase of arranging for specific legislative proposals and essential justifications and rationalizations for their passage in Congress . . . It was almost, he said, as if there was a change in the tenor of the narratives that had been developed during the deliberations stage of the task forces and the Board versus the preparations of the legislative package. In the latter instance the pragmatic problems had to be considered. What would be most productive in convincing Congress? Oftentimes things that were taken for granted in the task force deliberation had to be spelled out for the first time in the preparation of copy for submission to the Congress. This was also a period during which material was integrated in order to achieve an over-all balanced presentation that would have clarity and meaning to outside people. The preparatory work done for the legislative programs was a program unto itself. [REDACTED]

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25X1A [REDACTED] were the principal persons in the spawning of the legislative package . . . "The path was kept worn between the front office (OP), [REDACTED]

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25X1A door, and [REDACTED] door and the staff as materials were drafted and redrafted in support of the legislative package."

143. CIA Act of 1949, (P. L. 81-110, Section 5(a) (5) (c)

25X1A 144. OP/OHP, Tape 26, Statement by [REDACTED] 27 October 1971. "The Agency's basic law, P. L. 81-110, the CIA Act of 1949, contained an overseas medical benefit clause for employees, but for many years this provision was not implemented for reasons that are now obscure. In 1953,

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[REDACTED] of the General Counsel's Office, began a review of the conditions under which such a program could be made available to Agency overseas employees, and eventually in April or May

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of 1953 [REDACTED] issued an opinion which included an exhaustive study of the statutory origins of this section in P. L. 110 and the legal

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reasons why a specific claimant, [REDACTED] had to be paid. From the one case has grown the current Overseas Medical Program, which now consumes close to \$400,000 a year of the Office of Personnel's budget."

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It is interesting, said [REDACTED] that this particular statutory program, the Overseas Medical Program, was in the original P. L. 110 and that it remained unused until this opinion was issued by the OGC in

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April or May of 1953. [REDACTED] could find no specific decision that it could not be. "Perhaps what happened was that the program was never implemented for want of a case claiming a benefit under P. L. 110."

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145. OP Historical Files, Memorandum for Chairman, CIA Career Service Board, 9 October 1953. Subject: Final Report of the Legislative Task Force. The Report was signed by [REDACTED]

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146. OP Historical Files, Memorandum for the Record, 25 October 1954. Subject: Personnel Legislation Needed by CIA. Digest was prepared by the Career Services Staff, OP, for the Assistant Director, Personnel (AD/P), and includes proposals and justifications.

147. OP Historical Files, Draft, A Bill to Amend the Central Intelligence Agency Act of 1949, as amended and for other purposes. The draft bill is contained in the Career Council File, 21st. Meeting, 29 March 1956.

148. Ibid. Memorandum dated 23 August 1967 for the Director of Central Intelligence co-signed by the General Counsel and the Legislative Counsel. Subject: Legislative and Administrative Authority for the Payment of Travel Expenses, Allowances, and other Fringe Benefits to Agency Employees. A detailed review of the background and current status of the fringe benefit laws and the Agency experience with the CIA legislation was attached. The Executive Director-Comptroller was designated by the DCI as approving authority, as suggested by the General Counsel, and the latter's Memo. of 10 October 1967 to the Deputy Director of Support triggered the establishment of the Administrative Authorities Task Force, composed of representatives of the Offices of Personnel, Finance, and Logistics.

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149. OP/OHP, Tape 25, Statement by [REDACTED], 21 October 1971.

25X1A [REDACTED] stated that the group was established by the DDS as the out-growth of a charge by the Executive Director to make a detailed review of laws governing payment of travel expenses, allowances, and other fringe benefits allowed Agency employees. This instruction stemmed in turn from an earlier paper which had been prepared by [REDACTED] and Larry Houston (the General Counsel) establishing the concept that the Director has ample authority to adopt administratively the provisions of the Foreign Service Act and other laws in order to obtain the application to Agency employees of benefits available under other organic authority. As the OP representative on this committee and as

25X1A Chairman, [REDACTED] first concern in the initial meeting was to determine a modus operandi for the group. Among those present were representatives from Logistics and Finance and the General Counsel, and it was quickly decided to solicit views of the DDS office heads on appropriate

25X1A proposals for administrative improvement. [REDACTED] first thought, confirmed by others, was that the group should not confine itself to the initial charge -- benefits available elsewhere and not available in this Agency -- but rather should recognize that this was an opportunity to examine more broadly the administrative needs of the Agency. As a consequence the group arrived at 30 study proposals, some of which would entail adoption of administrative authority outside the Agency and a majority of this would not. As it turned out, the Administrative Committee recommended about a dozen proposals, only two of which required use of the Director's authorities to adopt other administrative authorities. "This could have been one of the more comprehensive analyses of personnel and other administrative concerns having potential legislative implications. The subsequent adoption of all proposals but one not only speaks to the success of those efforts but reflects upon the flexibility of this device as a means of adopting programs which at first would seem to require legislative action. This point is consonant with what Larry Houston said in his transmittal to the Director (on 23 August 1967) when he was advocating that the Director uses administrative authorities whenever possible." [REDACTED] quoted from the memorandum.)

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[REDACTED] concluded by stating that the use of administrative authorities remains a vehicle for legislative change which still exists and can be used in the future, as circumstances suggest.

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25X1A 150. OP/OHP, Tape 27, Statement by [REDACTED] 27 October 1971. 25X1A
[REDACTED] stated that the extension of fringe benefits to contract employees happened almost accidentally. [REDACTED] in early 1967 25X1A came to Ben's office with a new FPM (Federal Personnel Manual) amendment which he believed extended Civil Service retirement, federal employees group life insurance, and health benefits to contract employees who, prior to that time, had been excluded by Civil Service Commission regulations. [REDACTED] agreed and called Andrew Ruddock, the Director of the Bureau of Retirement and Insurance (BRI), CSC, to ask when this key decision had been made. Ruddock responded by saying that there had been no change in policy. Contract employees were excluded. When asked to read the FPM, Ruddock admitted that [REDACTED] was right. The FPM chapter as written, in fact, extended three important fringe benefits to contract employees, but it was a mistake. It seemed that the analyst who had written the chapter had merely intended to clarify the fact that contract employees were excluded and in trying to define what contract employees were, had actually extended coverage to them. Ruddock said that he would immediately put out a correction to the FPM letter. [REDACTED] then asked him whether it would, in fact, be possible to extend the benefits to contract employees. Ruddock said that it would all depend on submission of a case for approval by the CSC. Then there began a tremendous effort within the Agency to secure these benefits for contract employees. The transmittal letter to Ruddock was cleared with him beforehand in draft to make sure it had the proper language. Initially, OP asked for extension of the benefits to all contract employees without limitation as to citizenship. In a meeting with the then DDS (Robert Bannerman) he requested restriction to US citizens. Thus all US citizens contract employees were given Civil Service retirement, federal employee group life insurance, and health insurance -- all because of what was originally a mistake on the part of a Civil Service Commission analyst. "Needless to say, this extension of benefits was a brand new chapter in the lives of US citizen contract employees because it made them almost alike to staff employees." 25X1A

151. Interview with [REDACTED] Chief, Plans Staff, Office of Personnel, 20 October 1971.

152. OP Historical Files, Memorandum for Director of Central Intelligence, 1 October 1953. Subject: Liberalized Retirement System for CIA Employees. The staff study was Attachment D to the Final Report of the Legislative Task Force previously cited (S 145).

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153. OP Career Council File, 21st Meeting, 29 March 1956 contains the BOB rejoinder and the Council discussion.

154. Ibid.

155. Ibid.

156. See source 96 for Statement by Gordon M. Stewart on the changed approach.

25X1A 157. CIA Regulation [REDACTED] 27 April 1965.

25X1A 158. Agency Regulation [REDACTED] means performance of duty as an Agency employee:

- (a) under conditions of employment which include a demonstrable hazard to life or health in the conduct or support of [REDACTED] operations abroad, or [REDACTED] counterintelligence activities abroad, or other intelligence activities abroad; or 25X1A
- (b) under conditions of employment requiring the continuing practice of most stringent security and covert tradecraft procedures to maintain personal cover in the conduct or support of [REDACTED] operations [REDACTED] and 25X1A counterintelligence activities abroad; or
- (c) on a continuing basis which would place the individual at a distinct disadvantage in obtaining other employment either because (1) the skills and knowledge are unique to the clandestine activities of the Agency and are not in demand elsewhere, or (2) the duties are so highly classified that his experience cannot be described in sufficient detail to demonstrate his qualifications adequately to a prospective employer.

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159. OP/OHP, Tape 27, Statement by [REDACTED] 27 October 1971. During most of his Agency assignments from 1955 on, [REDACTED] said that he has been associated with the Agency's retirement activity. He has been designated the Agency's Retirement Officer for many years and as such was responsible for liaison with the Retirement Division subsequently renamed the Bureau of Retirement and Insurance. "Any history of the Office of Personnel has to reflect the work done by Mr. Andrew Ruddock, Director of the Bureau of Retirement and Insurance, on Agency-related retirement problems. Never once has Mr. Ruddock failed to respond to the need for sensitive handling and to special request on the Agency's part."

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[REDACTED] said that he has hand carried countless numbers of sensitive cases to Ruddock calling for extraordinary action. Mr. Ruddock would himself handle these. For example, during the 701 exercise (1961-62) in advance of actually implementing the surplus procedure, [REDACTED] met with Ruddock to see first of all if there was any technical reason why an employee separated under this program would not be eligible for discontinued service retirement. Eventually it was established that these men were entitled to discontinued service retirement and, per instructions of Mr. Ruddock, their separation action and retirement cards would be documented in such a way as to be automatically adjudicated affirmatively by examiners at BRI.

25X1A

25X1A [REDACTED] (continued) There was also a sensitive problem involving military staff agents. On the one hand they appear to the world to be military personnel and yet they are truly civilians. Several meetings were held with Mr. Ruddock to protect military staff agents' rights under the Civil Service Retirement Act and, though it was a complicated problem where men were technically military and civilians at the same time, Mr. Ruddock assured the Agency in writing that upon receipt of application for retirement from military staff agents, he would document all the time as civilian time without any question. He approved a lock-up procedure that in any case of individuals retiring or separating from the Agency, where association with CIA still had to be protected, retirement records on these individuals would be stored in Ruddock's safe. Any inquiry on these men would be referred to Ruddock, and upon receipt Ruddock would ask for guidance and would answer accordingly. "There were countless instances of this sort of response by Mr. Ruddock to the Agency's needs."

25X1A [REDACTED] (continued) Retirement as an activity grew up in the Employee Affairs Branch, eventually becoming an activity of the Benefits and Counseling Branch. Only with the passage of the CIA Retirement Act (1964) did it leave the BSD, Benefits and Services Division, to the newly formed Retirement Affairs Division.

Chapter V (Cont'd)

25X1A 159. (Cont'd) [REDACTED] continued) One of the more acute problems in connection with processing retirement application for some of the longer terms, CIA employees had to do with the matter of verifying their records, particularly covering OSS, SSU, and CIG time. The records were poorly managed and maintained in those days. There was great difficulty in establishing dates and pay rates for these men in order that they might get all the creditable service to which they are entitled. It was so bad at one point that [REDACTED] had a machine run made dating from the oldest employee down to the youngest so that well in advance of an individual's retirement he could tackle the problem of his creditable service. Unfortunately, the problem of work load kept the list from being finished, and problems of verifying the time a man worked for the Agency or the predecessor organizations remained. [REDACTED] concluded by 25X1A saying that the records are, of course, considerably better for the new employees whose tenure with the Agency dated back to the time when personnel records finally assumed some meaning.

Chapter V (Cont'd)

160. Public Law 89-504, Federal Salary and Fringe Benefits Act of 1966.

161. Excerpts from Diary Notes of ADD/A, Colonel L. K. White, 7 January 1953.

162. Memorandum for the Director of Central Intelligence from Chairman, Insurance Task Force, 20 July 1954. Subject: Final Report of the Insurance Task Force.

25X1A

163. Agency Notice [REDACTED] 29 July 1954.

164. OP Insurance Branch Report ([REDACTED]) Subject: 25X1A Annual Report FY 1966, included in Annual Report of the Office of Personnel.

25X1A

165. OP History Project, Tape 27, Statement by [REDACTED] 27 October 1971. (Upon taking over the Insurance Branch in 1963)

25X1A

[REDACTED] said that he began to identify deficiencies in program content, procedural matters, and in relationships with others. For example, up until this time relationships between the Agency, GEHA, and the underwriter, Mutual of Omaha, were pretty informal. There was an awful lot of first naming recorded in terms of agreements that were made. The understanding was that we could do whatever we wanted to do, we could do it administratively or we could just ad hoc it. Ben felt very uncomfortable about this and remembers talking with [REDACTED] about his attitude toward GEHA (the corporate entity set up to act as agent). Although not a party to it, Ben was on the fringes of the (1956) controversy between GEHA and the Agency as a result of the old Aquatone project and was personally furious that GEHA could dictate to the Agency what CIA could or could not do with respect to insuring U-2 pilots. [REDACTED] made a personal promise to

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25X1A [REDACTED] who felt very strongly that GEHA had exceeded the bounds of propriety and also had exceeded the very purposes for which it was created, that the relationship between GEHA and CIA would be put back in focus. In [REDACTED] mind GEHA was created by CIA to assist CIA

25X1A in resolving its insurance problems. It was not created as an independent entity to deal with CIA on an equal basis. [REDACTED] said that he moved carefully and immediately zeroed in on establishing a formal relationship with the underwriter. He met with Mr. Al Randall, executive vice president of Mutual of Omaha, and told him that it was important that any agreement as to coverage, procedure, and benefits that existed between GEHA and Mutual of Omaha should be reduced to writing so that there could be no dispute as to what was agreed to.

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165. (Cont'd)

Mr. Randall's reaction was one of gratitude that we would move into a more businesslike relationship as he always felt very uncomfortable about the informalities which existed between the local (Washington) representative of Mutual, Joe Jones, and [REDACTED] Randall said 25X1A that when an insurance company is dealing with a client the size of CIA there could be disputes about coverage and there could be difficulties that might arise in the future. Randall would prefer dealing with us on a businesslike basis. As a result (of this attitude) the meeting of the minds was much more simple than expected.

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[REDACTED] continued) The other goal that he had for the insurance activities was to put the payment of expenses of Insurance Branch personnel in a better relationship. At this time GEHA was reimbursing CIA the equivalent of a GS-07. All other expenses associated with the Insurance Program were borne by the Agency. As a lot of the Insurance activity was not attributed to security or cover, it seemed that GEHA should bear a greater portion of the expenses involved. [REDACTED] 25X1A developed, with the assistance of Mr. Ruddock, Director of the Bureau of Retirement in the Civil Service Commission, and with Emmett Echols, the Personnel Director of CIA, the administrative allowance concept whereby GEHA would receive a premium and would reimburse to CIA the cost of a certain number of Agency employees. From a modest start, GEHA is now reimbursing CIA for 16 of the 34 people, a more proper relationship of what GEHA should bear of expenses not attributed to security and cover to what the Agency should bear for these reasons. Work was also begun on improving the UBLIC contract, which eventually doubled the coverage and provided a free dependent insurance and also a new retiree benefit. As a result the contract is considered as one of the finest term life insurance programs in government. "It is important to say that our relationship with Mutual of Omaha is quite good. Death claims, for example, are sent to the underwriter by number only. The Agency certifies that (number) has died under circumstances that warrant the payment of x thousand dollars worth of insurance. They get no name, no date of death, and no circumstances of death. They pay off based on Agency certification alone. This is quite unique and is reflective of the confidence that Mutual has placed in CIA and of the outstanding relationship that has been built up over the years." [REDACTED] concluded 25X1A by saying that during this period of time the insurance activity consumed a lot of time but eventually, because of improvements in the contract, reached a period of stability. The program generally stabilized at the levels reached in 1966-67.

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166. OP/OHP, Tape 27, Statement by [REDACTED] 27 October 1971. The criticism has been made that while we may have a good Benefits and Services Program, dissemination of the extent of that program and the substance of it is not getting to Agency employees. [REDACTED] stated 25X1A that he believed this to be a valid criticism in the early days of the program. He did initiate a series of lectures, would go anywhere invited, and he did talk to hundreds of Agency employees wherever they were located, in an effort of communicate to them the important information on the benefits programs. Gordon Stewart felt strongly about this, and eventually it was his suggestion which led to a special issue of the Support Bulletin which covered benefits programs entirely. "A lot more work has to be done in this area. However, no matter how strongly we feel about the program and try to get work on it out to the employees, there will always be that man who did not get the word and because he did not, has suffered as a result. It is a burden that the Office of Personnel has to carry to insure that material is out and is always updated and that as much effort as possible is given to communicating information on benefits programs to Agency employees."

25X1A 167. OP/OHP, Tape 26, Statement by [REDACTED] 27 October 1971.

25X1A [REDACTED] stated that Meloon (Personnel Director in 1953) had a high 25X1A regard for [REDACTED] and had assigned to him certain activities in 25X1A regard for [REDACTED] and had assigned to him certain activities in the workmen's compensation claims area and in the handling of missing persons cases. [REDACTED] also worked originally on medical 25X1A claims, and later picked up missing persons cases and, on a personal 25X1A assignment basis, were given responsibility for retirement liaison.

25X1A [REDACTED] worked on the Research and Planning Staff under 25X1A [REDACTED] 1 November 1953 and were then reassigned to the 25X1A Employee Services Division in a new Insurance and Claims Branch. In 25X1A

25X1A June 1955 the work [REDACTED] had been doing was split from 25X1A the insurance work. They became two separate branches; [REDACTED] was 25X1A named Chief, Casualty Affairs Branch, and [REDACTED] Deputy Chief. . . 25X1A The Office of Personnel role in the handling of employee emergencies 25X1A really began to jell in 1955. Up until this time, death cases and 25X1A serious employee emergencies were handled by the operating components involved. [REDACTED] said that through the confidence gained in the 25X1A handling of specific cases, operating components began to report these 25X1A cases to Personnel quickly so that emergency action could be taken by

Chapter V (Cont'd)

167. (Cont'd)

the Office of Personnel. "It was recognition of personnel's emerging role in the handling of employee emergencies, particularly death cases, that led to the reorganization of the Employee Services Division with a new Casualty Affairs Branch in June 1955 . . . In 1957 Personnel's (Casualty Affairs Branch) role as the primary point of responsibility in the handling of employee emergencies, particularly death cases, was firmly and clearly established, and became a matter of regulatory procedure: The Casualty Affairs Program is an absolute guarantee to all employees that if something happens to them, their families will be given all possible help and everything they are entitled to by law with a minimum of effort on their part. Personnel officers go all over the country to meet with next of kin, to effect orderly and quick settlement of benefits, generally with very little work done to secure these benefits by the families themselves. Agency employees can really count on this kind of personnel activity in their behalf should something happen to them."

168. Ibid.

25X1A

169. Ibid. Tape 26, Statement by [REDACTED], 27 October 1971.

25X1A

[REDACTED] stated that one deficiency in the handling of employee emergencies was the notification to top Agency officials when such an event occurred. The Office of Personnel did have a duty roster of action officers but essentially these were top officials -- the Director of Personnel, the Deputy Director of Personnel, and the Executive Officer. [REDACTED] remembers being able to persuade the

25X1A

Director of Personnel to put his name at the top of the list, and for almost a ten-year period of time [REDACTED] was the Office of Personnel's casualty duty officer. Personnel's names were on file at the Cable Secretariat and with the Office of Security duty officer so that in the event something came in either from the field or in the United States the procedure was established that the Office of Personnel duty officer would be immediately notified by the Cable Secretariat or by the Security duty officer. "With this kind of procedure, Personnel would often receive notification before the operating component, and thus was able to take a firm leadership role in the handling of that particular emergency."

25X1A

In case after case [REDACTED] would get notification in the middle of the night, after hours, anytime. He would then immediately call the Chief of Support involved, an Office of Security representative, and where necessary, Central Cover Staff. This duty-officer concept was a very effective way of handling employee emergencies. A working group was eventually established consisting of representatives of [REDACTED] The component would always be

25X1A

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169. (Cont'd)

represented by the Chief of Support or by the Personnel Officer of the component. The most serious of employee emergencies would, of course, be death; but these emergencies would also include personnel being detained or captured by hostile forces, or serious illnesses or injuries occurring overseas or in this country. Taking a typical case -- the field might report the death of an Agency employee overseas. The Cable Secretariat, upon receipt of the cable, would notify Ben. He in turn would notify the Chief of Support of the component involved as well as Central Cover and the Office of Security. Together they would agree on how notification would be made to the family in this country. Personnel records would be checked immediately to see who would be listed as the emergency addressee to determine whether the family was witting or not. If the family was not witting, a judgement would then be made as to whether they would be made witting for the purpose of notification. [REDACTED] felt very strongly that the Agency should not make telephone calls to next of kin, as did the State Department, and that to the extent possible notification of death of employees or of serious illnesses or injuries be made by an Agency representative nearest to the family, who would communicate whatever news we had at the time, give the family member [REDACTED] name and a sterile number, and inform them that the Agency would be in touch with them directly. The Agency representative making notification in person served another purpose as well, especially where the particular circumstances like a plane crash might involve an awful lot of pressure on the family from the press for additional information on the individual killed or injured. The Security representative with the family could assist them in resisting such pressure and also render any assistance that they might need. "This is now a procedure so that in every notification to be made, the process is started by determining who is nearest in the area to make the notification. Only rarely have telephone calls been necessary, and in those rare incidents where there was fear that the press would get to the family before the Agency."

25X1A

170. OP/OHP, Tape 27, Statement by [REDACTED] 27 October 1971.

25X1A It occurred to [REDACTED] that it should not be left to sleepy-headed officers awakened in the middle of the night to work out a course of action in casualty cases and that a better way to resolve some of the problems should be devised. Eventually the Director of Personnel approved a suggestion that OP require components that utilized employees in hazardous or sensitive undertakings to provide a casualty plan that would set forth work that would be done in the event of a casualty occurring among the personnel involved. In effect, this plan would establish how notifications were to be made, to whom notifications would be made, whether those were or were not witting, and other guidance that had, prior to the establishment of the concept, been developed on an emergency or crash basis.

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25X1A

171. OP/OHP, Tape 26, Statement by [REDACTED], 27 October 1971.

25X1A [REDACTED] stated that an important development occurred in May 1953 in the overseas medical benefits. The Agency's basic law, P. L. 81-100, The CIA Act of 1949, contained an overseas medical benefit clause for employees. For many years this provision was not implemented for reasons that are now obscure. Nevertheless, it was not offered as a positive benefit for people overseas. [REDACTED] of the General Counsel's Office, began a review of the conditions under which such a program could be made available to Agency overseas employees, and eventually in April or May of 1953 [REDACTED] issued an opinion which included an exhaustive study of the statutory origins of this section in P. L. 110 and the legal reasons why a specific claim, that of [REDACTED] had to be paid. From that one case grew the current overseas medical program, which now consumes close to \$400,000 a year of the Office of Personnel's budget. It is interesting, said [REDACTED] that this particular statutory program, the overseas medical program, was in the original P. L. 110 and that it remained unused until this opinion was issued by the OGC in April or May of 1953. [REDACTED] could find no reason why this particular program had not been implemented, no specific decision that it could not be. Perhaps what happened was that the program was never implemented for want of a case claiming a benefit under P. L. 110.

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172. Ibid. Tape 26, 27 October 1971, Statement by [REDACTED] follows: "Now to describe what CAB does to assist employees to secure the benefits of the Federal Employees Compensation Act (FECA). This is the federal workmen's compensation act which covers them for illnesses, injuries, or death incurred in the performance of their duties. FECA is administered by the Bureau of Employment Compensation of the Department of Labor. Generally the 'burden of proof,' the burden of proving that the illness or injury occurred while in the performance of duty, is on the claimant; but in the Agency that burden, or at least 90 percent of it, is carried by the Office of Personnel representative working on the particular claim. This is a key benefit because it represents protection available to the employees themselves, in the case of disabilities, or to their families if they are survivors, beyond that which anyone could really afford to provide. Because of the classified nature of many of the Agency cases, it became important to develop procedures with the BEC. Relationships with BEC have been of the highest level. The Director of BEC has always been the sort of person who could perceive the Agency's problem in establishing certain kinds of claims and come up with solutions, many times on his own, dating all the way back to the early days with an individual named Clyde Middleton, followed by Tom Tinsley and currently with

25X1A

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Bert Doyle, the Director of BEC has fully responded to Agency requirements. This Agency (CIA) takes the lead in assisting employees to get the benefits of the Federal Employee Compensation Act. It is not always easy, and as much as four years has been taken to establish a special claim."

173. Ibid. Tape 26, Statement by [REDACTED], 27 October 1971. 25X1A

174. Memorandum for Chairman, CIA Career Service Board from Chairman, Working Group on Honor Awards, 8 August 1952. Subject: Final Report; OP Career Service Board File of 26 August 1952 Meeting.

175. Public Law 83-763, The Incentive Awards Act of 1954. (Despite its title, the Act encouraged the departments and agencies to develop a wide range of programs to recognize the contributions of their employees and was used as the statutory base for Agency programs and the payment of emoluments.)

25X1A

176. CIA Regulation [REDACTED] of February 1953 authorized the establishment of an Honor Awards Board under the jurisdiction of the Career Service Board. Advisory and administrative functions were assigned to the Office of Personnel.

25X1A

177. CIA Regulation [REDACTED] of 13 April 1955 was the first exclusively "Honor Awards" regulation.

178. Program, Annual Awards Ceremony, 18 September 1970.

179. HN 21 June 1967, Criteria for Awarding the Exceptional Service Emblem and the Certificate of Exceptional Service.

180. Public Law 83-763, the Government Employee Incentive Awards Act of 1954, greatly liberalized the previous legislation which had set a \$1,000 limit on what were called Meritorious Suggestions. P. L. 83-763 moved the limit up to \$25,000 and gave the Civil Service Commission responsibility for the program and for approving awards above \$5,000.

181. OP Historical Files, Staff Study, Incentive and Honor Awards dated 7 March 1956 and presented at the 20th Meeting of the CIA Career Council, 15 March 1956, by the Task Force for Incentive Awards.

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182. OP Historical Files, Unpublished Study dated 19 April 1971, The
Suggestion and Invention Awards Program, 1948-70, [REDACTED] 25X1A

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183. [REDACTED] dated 15 September 1961. Revised 15 August 1966.

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184. Other awards in addition to the nine mentioned in the text and footnotes were:

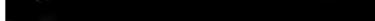
President's Award for Distinguished Federal Civilian Service

1964	Lyman B. Kirkpatrick, Jr.	Ex. Dir.-Compt.
1967	Sherman Kent	D/ONE

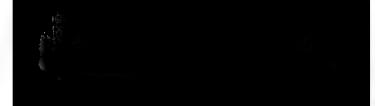
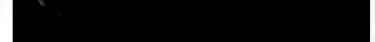
Presidential Management Improvement Award

1970	John M. Clarke	OPPB
	(Presidential Management Improvement Certificate)	

William A. Jump Memorial Award

25X1A	1964		DDI/NPIC
	1965		DDS/OS (Certificate of Recognition)
	1966		DDS&T/OEL (Certificate of Recognition)

Horace Hart Award

25X1A	1963		DDS/OL
	1966		DDS/OL (Certificate of Recognition)
	1966		DDS/OL (Certificate of Recognition)

National Capital Award

25X1A	1960		DDS/OL
	1964		DDS&T/OSA (Certificate of Recognition)

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186. OP Historical Files, Unpublished Unit History of the Credit Union, dated 11 November, is the major source of the information contained in this section. The original Organization Certificate of the Credit Union was approved by the Federal Deposit Insurance Corporation, which had jurisdiction at that time, on 19 November 1947, in accordance with the principles of the Federal Credit Union Act.

187. Ibid. The application within the Agency of the authorizing legislation, loan policies and restrictions, and investment controls is described in the Unit History.

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25X1A

188. OP/OHP, Tape 27, Statement by [REDACTED] 27 October 1971.
(In discussing the Public Service Aid Society) [REDACTED] said that [REDACTED] 25X1A initially he was on the fringes of it but eventually the Benefits and Counseling Branch (BCB) was given the responsibility of working with claimants for PSAS assistance. BCB's function was to sit with the man, discuss his financial problem with him, accumulate a listing of his debts and his assets, and finally to forward a recommendation to the Director of Personnel. In those days the Executive Officer, OP, was the Executive Secretary of PSAS, and the working group which reviewed claims consisted of [REDACTED] then of the Board of Directors, PSAS, and [REDACTED], the Executive Secretary. Unfortunately for the claimants, the pressure of time on the D/Pers kept him from getting to these claims for assessment as quickly as he should, and there would be repeated requests from the applicants for a decision. For one reason or another they needed to know whether they could count on PSAS for help. This got to be a very troublesome point of pressure between BCB and the front office. Sometimes a claimant might have to wait as much as two or three weeks for even a negative decision so that he would then turn elsewhere for help. Eventually, [REDACTED] said, he 25X1A became the Executive Secretary, and PSAS now works with an Executive Committee that does not involve the Director of Personnel, and an applicant for help can be assured of a decision within 24 hours.

OP/OHP, Tape 10, Statement by Lawrence K. White, 5 March 1971. (Colonel White gave an interesting sidelight on the genesis of the Public Service Aid Society in the 5 March 1971 interview for the Oral History. His statement follows:) "There was a small fund in the Personnel Office contributed by the Government/Services people, a couple of thousand dollars, used for welfare cases. Kirkpatrick had come back from his polio hospitalization (in 1953) and had been made Inspector General. Kirk had an understanding with the DCI (Allen Dulles) which gave him a lot of authority not ordinarily associated with the IG. His role was vast and included a lot of personal assignments for the Director that put him close to a command role. By his own disposition Kirk was not inclined to disabuse anybody about that authority unless you challenged him, and then of course he had recourse to the Director. This case involved a CS officer, a good officer, who because of family illness had incurred heavy debts and had gone to the IG stating that the only way he could get his head above water was to resign and draw his Civil Service retirement money and then start over. The IG decided to give this individual ten thousand dollars, just give it to him, and wrote a note to me telling me to pay it. I refused to do so unless ordered

Chapter V (Cont'd)

188. (Cont'd)

personally by the Director or given a piece of paper over the Director's signature. The refusal led to a meeting with the DCI and to the DCI asking if he had the power to do this to which I replied, 'You have the power, but you don't have the right.' The Director upheld my stand and shortly after that, Walter Wolf, the DDS, suggested establishing an employee welfare fund to which he made the initial contribution of five hundred dollars, providing it was tax exempt. Kirkpatrick was made the President of the fund. It took the General Counsel two years to establish the tax exemption with Internal Revenue and in the meantime Wolf took his money back. (chuckle!)"

189. OP/OHP, Tape 27, Statement by [REDACTED] 27 October 1971. 25X1A

25X1A [REDACTED] described the Employee Activity Association (EAA) as follows: For many years the Agency had a recreation program. In the early days it was called the Potomac Recreation Association and consisted mainly of sports program, football, baseball, and basketball leagues. [REDACTED]

25X1A

[REDACTED] as Chief, BSD had the notion that recreation could take on a broader meaning in the Agency and could get into the area of some of the cultural activities and some of the hobby crafts. He began the work to expand the employee activity work to cover these areas. He got an Art Club worked up, certain kinds of tours developed, really began what is now a full range of programs. BCB began selling tickets for some of the major events in this area. It is not unrelated to describe the Redskins football game arrangements, as hard as those tickets are to get these days. In 1963 there was an opportunity to get all the tickets wanted -- in those days the Redskins were not as popular a team as they are now -- and EAA did not have very much money, so it bought 250 season tickets, a poor guess about the future because EAA could easily sell a thousand season tickets today. Nonetheless,

25X1A [REDACTED] did have the idea that employees would respond to a full range of recreational activities. Upon his death, EAA proceeded to go this way and were able to persuade Agency management to formalize the recreation program into an Employee Activity Association, Inc. sort of entity. It was not without its issues, however, because Colonel White as DDS insisted that the program be conducted modestly and in good taste. Beginning with a merchandise experiment, store sales were conducted on a part-time basis, mostly seasonally -- certain items at Christmas time, then Easter and Thanksgiving. With tangible evidence that employees were interested in such a program, a store was finally opened on a full-time basis but subject to strong admonition from the DDS. The store was to become self-supporting. Agency funds were not to be used for any personnel associated with merchandising. The DDS distinguished this from selling tickets because he knew that elsewhere in the Federal Government employees were assigned to selling tickets. Suffice it to say the store has become self-supporting, and no Agency funds are used in providing this service to Agency employees. The store has caused an increase in membership in EAA from a modest [REDACTED] or [REDACTED]

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Appendix B

Chronology 1946-68

1946 January: The Secretary of War directed on 29 January 1946 that the SSU be closed down. The CIG sought the administrative experience of the SSU through duality of appointment.

 September: Schedule A authority is granted the Central Intelligence Group (CIG) by the Civil Service Commission (CSC) which freed the CIG from the examining and certifying procedures of the Commission.

1947 September: The National Security Act of 1947 established the CIA effective September 18. Section 102(c) of the Act provides that "not notwithstanding the provisions of any other law, the Director of Central Intelligence may in his discretion terminate the employment of any officer or employee of the Agency whenever he shall deem such determination in the interests of the United States."

1948 September: The staff offices of the "Executive" and the OSO Administrative and Services Staff were merged into a single group of five divisions, including personnel, under the Executive for Administration.

 November: The Dulles-Jackson Report questioned the caliber of top CIA personnel and charged that administration had acquired a degree of dominance that threatened to control overall policy. They held that administration should be the handmaid of operations in CIA.

1949 June: CIA Act of 1949 (P. L. 110) prescribed the CIA's personnel authorities, including the

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1949

Director's right to hire and thus to fire.

August:

The Civil Service Commission responding to a 30 June 1949 inquiry of the DCI stated that "It is the official judgment of the Civil Service Commission, based on Sections 7 and 10(b) of the CIA Act of 1949 that the Agency is not required, as a matter of law, to follow the Classification Act and that the Commission therefore, as a matter of law, is not required to enforce that Act within your Agency.

The DCI responded, "You may be assured that in our internal personnel administration we will be governed by the basic philosophy and practices of the Classification Act of 1949, the CSC allocation standards, the pay scales, the within grade salary advancement plans, and the pay rules of the Classification Act as they may be amended from time to time, in substantially the same manner as provided for other Agencies."

October:

The post of Personnel Director was established with William J. Kelly as the first incumbent. A fundamental reorganization established separate administrative staffs including personnel branches for CIA, OSO, and OPC. Recruitment and Classification was retained at the Agency level.

1950

October:

General Bedell Smith became DCI and began a program to centralize support services and establish a Career Corps.

25X1A

December:

CIA Regulation █ 1 December 1950, established a central Personnel Office by combining the Personnel Staff, CIA; the Personnel Division of OPC; and the Employees Division of OSO.

Training Office established with the Director of Training, Matthew Baird, reporting directly to the DCI.

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1951 May: The Personnel Director estimated that [REDACTED] 25X9 new people would be required in the upcoming year to meet the requirements of the components.

July: A new post, that of Assistant Director, Personnel was established, reporting directly to the DCI. [REDACTED] was the first incumbent. 25X1A

August: [REDACTED] 25X1A
10 August 1951, established 14 categories of staff and contract personnel.

September: Career Service Committee established by the DCI to resolve differences and plan a Career Program.

1952 January: Colonel Lawrence K. White, USA (Ret) appointed Assistant Deputy Director, Administration (A/DDA). The jurisdiction of the DDA included the Personnel Director and the Personnel Office but not the Assistant Director, Personnel.

February: The DCI directed that Agency strength be held to [REDACTED] for the balance of the fiscal year. 25X9

June: Agency Notice [REDACTED] The CIA Career Service Program, established the structure of individual boards under a CIA Career Service Board replacing the Committee. The process of designating individuals to the various boards began. 25X1A

FI and PP were combined into an integrated DDP Table of Organization.

A central processing service was instituted by the Personnel Office for Agency overseas travelers.

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1952 September: The Special Contract Unit, Administrative Staff (Special), DDP, was transferred to the Office of Personnel where it became the Special Contracting, Allowances, and Processing Staff.

1953 June: The Management Staff and the Personnel Office, Classification and Wage Division, began the attempt to reconcile T/O's (████████ positions) 25X9 and ceiling █████. 25X9

September: Principal reorganization of the Personnel Office with a Placement and Utilization Division (PUD) established from Personnel Division, Overt and Personnel Division, Covert and designed to furnish an integrated in-service placement function. Personnel statistics, transactions and recordkeeping were centralized. Personnel components were consolidated into one location in Curie Hall.

December: Inspection Report of the Personnel Office contained severe criticisms of that Office as being inflexible and Civil Service oriented, and stated that "the Agency's greatest need was for a strong, capable Assistant Director for Personnel."

1954 January: Harrison G. Reynolds appointed AD/Pers and Personnel Office transferred from DDA to Office of the DCI. Personnel Director title changed to Deputy Assistant Director, Personnel with George Meloon remaining in the post. Job of Executive Officer established with Charles W. █████ as first incumbent. 25X1A

February: Notice No. █████ established an Agency Reassignment Board to effect the reassignment within the Agency of people, otherwise satisfactory who are excess to the requirement of the particular components. 25X1A

June: An integrated in-service placement program sought by combining Personnel Division, Overt

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1954

and Personnel Division, Covert into a Placement and Utilization Division (PUD).

July:

Agency Regulation [REDACTED] established that concept and set up a CIA Selection Board and Panel of Examiners to screen applicants for the Career Staff.

25X1A

August:

The Career Council named to succeed the CIA Career Service Board in July held the first of its 69 meetings.

Inaugural ceremony for the CIA Career Staff program was held with the DCI making the opening speech to some 600 Agency supervisory personnel.

A group of personnel officers prepared survey report (black book) of personnel administration for the Clark Committee.

Flexible T/O concept was introduced which allowed double slotting in certain designated positions which were not one of a kind. The drive to bring T/O and ceiling together resulted in "Black Duck," "Blue Goose," and other rare birds where grade of position and grade of incumbent were at variance.

The Executive Inventory was completed.

October:

Overtime policy was developed in Regulation [REDACTED]

25X1A

1955

February:

The Inspector General issued his proclamation on "Ten Ways of Improving CIA's Personnel Management."

The post of Deputy Director for Support (DDS) was established, and that of Assistant Director, Personnel was dropped. The Director of Personnel post was established and placed with the Office of Personnel under the DDS.

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1955

Agency Regulation [REDACTED] delineated Director 25X1A of Personnel responsibility for administering a central personnel program and Regulation [REDACTED] made the Heads of the Career Services 25X1A responsible for monitoring the application of the Agency personnel program.

March:

Deputy Assistant Director, Personnel, George Meloon resigned.

The post of Special Assistant was set up to provide technical advice on termination cases with [REDACTED] as the first incumbent. The position was first placed in the Personnel Assignment Division (PAD) and later transferred to the Office of the Director of Personnel as the Special Activities Staff (SAS). 25X1A

June:

[REDACTED] named Deputy Director of Personnel for Planning and Development (DD/Pers/P&D). 25X1A

Senior Career Development Program dropped by the Office of Personnel and T/O positions returned to the parent office. The Junior Career Development Program (Internal JOT's) was incorporated into an expanded JOT Program and turned over to the Office of Training.

August:

[REDACTED] was appointed Deputy Director 25X1A of Personnel, the first incumbent of that office.

October:

[REDACTED] Staffing Complements 25X1A and Development Complements, was proposed.

December:

The 30 December 1955 Report of the Defense Ad Hoc Committee on a Military Reserve Policy for the CIA was approved by the Secretary of Defense and the DCI.

1956January to
June:

Personnel legislative proposals on travel and leave benefits and on accelerated retirement

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1956		were forwarded to the Bureau of the Budget as an Amendment to the CIA Act of 1949 (P. L. 110) and the exchange of views resulted in the withdrawal of the retirement proposals.
	April:	Initial Application of the Staffing Development Complement was commenced in the Office of Communications.
	September:	The DDP in [REDACTED] established service-wide career panels on a grade basis under the Clandestine Services Career Board ending the split FI and [REDACTED] administration. 25X1A
	November:	Agency Regulation [REDACTED] Competitive Promotion, 25X1A was published
1957	January	The new Director of Personnel was named from the Clandestine Services and presented by the DDCI with a paper, originated by the Inspector General, entitled "The Role of the Director of Personnel." D/Pers was requested to report progress on 1 May 1957 and 1 May 1958.
	November:	The DDCI (General Cabell) approved the 6 September 1957 memorandum for the Director of Personnel which delineated the respective responsibilities of the Director of Personnel and the Heads of the Career Services delegating to the latter full responsibility for the personnel management of their career services in the fields of promotion, recruitment, rotation, and elimination of personnel.
	December:	DOD Directive No. 1315-3, 5 December 1957. Subject: Policies Governing Assignment of Military Personnel to CIA. S.

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1958 March: A CIA Compensation Plan replacing the Classification Act pay grades and practices was presented to the Career Council by the Director of Personnel.

May: The Director of Personnel reported to the Career Council on his stewardship as requested in the "Role" paper concluding with the remarks that "during the coming year I propose to make every effort to identify those individuals in the Agency whose continuance in their present career service over an extended period of time is against Agency interests. It will then be necessary to take steps to move them out to other career services or to assist them in finding employment outside the Agency."

The Clandestine Services Personnel Division was formed from elements of the Personnel Office Placement Branch and personnel officers in the DDP.

November: [REDACTED] Ceiling 25X1A and Position Authorization, introduced the Career Service Staffing Authorization (CSSA) and the identification of positions on the T/O in terms of the career service responsible for filling them. These and other features were designed to close the gap between administration of positions and ceiling on an organizational component basis and the management of people on a career service basis.

1959 February: [REDACTED], Average Grade Controls, was 25X1A introduced with the objective of managing wage and salary administration on an overview basis and reducing the review of individual transactions. It was the final piece of the program which included the flexible position, the development complement, and the staffing complement concepts.

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1959 May: Recruitment was combined with Placement to become a branch of the of the newly formed Personnel Operations Division. Benefits and Services Division was formed.

November: A Manpower Control Program for the Clandestine Services, 6 November 1959, was proposed by the Director of Personnel. In the study the age-grade hump was charted and the Controlled staffing concept introduced. Drafts



25X1A

1960 January: The IG Survey, Office of Personnel, and the Career Service Program concluded that the Career Program was a failure and should be substantially changed. The Agency has failed to achieve a satisfactory solution to the problem of career development said the IG.

May: The Director of Personnel in his 26 May 1960 Memorandum to the DCI challenged the IG conclusions on behalf of the three Deputy Directors and the Career Council and was upheld in that challenge by the DCI.

The DDS also commented unfavorably on the IG conclusions in his 19 May Memorandum to the DCI. Tab A, Philosophy of the Career Program, contained a plea that the line managers be permitted to manage their people as the needs of the component required.

1961 February:



25X1A

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1961 September: All members of the Career Staff were automatically converted to Career Employee Status. [redacted] dated 6 September, Categories of Personnel, established a new appointment system. 25X1A

December: A report to the DDS by [redacted] entitled "Recruitment and Selection of Staff Employees, An Appraisal," deplored the low state of recruitment and indicated that the Office of Personnel needed strengthening. 25X1A

1962 January: 18 January Memorandum to OP Division and Staff Chiefs requested review of "the responsibilities of the Director of Personnel for Monitoring the Administration of Agency Personnel Programs."

February: Career Council holds its 69th and last meeting.

July: Echols' Memorandum to the 1962 Kirkpatrick Task Force on Personnel Management pointed out numerous deficiencies in the Agency's personnel program.

August: [redacted] Management of Supergrade Positions, 25X1A abolished the Supergrade Review Board and transferred the coordination responsibility for all supergrade actions to the Director of Personnel. The Agency proposed a doubling of the supergrade ceiling and positions to the Bureau of the Budget.

1963 Mid-Career Program instituted. FY 1963 was also a peak recruiting year with close to 2,800 staff employees added.

1964 January Agency strength frozen by the Bureau of the Budget and the Executive Director to that of 30 November 1963.

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1964 May: Executive Director Action Memorandum of 19 May 1964 to the DDS instructed the Director of Personnel to take the necessary action to reduce the headroom throughout the Agency a sufficient amount to lower the average position grade to at least that of a year ago.

July: D/Per's 22 July 1962 Memorandum to the Deputy Directors requesting information and internal instructions which would permit his review of career management activities in the various services.

October: Passage of the CIA Retirement Act of 1964 authorized the establishment of the CIA Retirement and Disability System (CIARDS).

1965 April: Changed concept and retitling of the JOT Program. It became the Career Trainee (CT) Program and was expanded beyond the Clandestine Services with recruiting quotas doubled to over 200 per year.

1966 March: The triple deputy concept was introduced in the 1966 reorganization of the Office of Personnel in the form of Deputy Directors of Personnel for Recruitment and Placement, Operations, and Planning and Research.

April: Personnel requirements planning was formalized and tied in with the Planning, Programming, and Budgeting (PPB) cycle by means of the Advance Staffing Plan.

April: Legislative changes to the basic Civil Service retirement formula established age 55 with 30 years service and age 60 with 20 years service as the lower limits for voluntary retirement without penalty. Shortly thereafter the Agency adopted age 60 as the policy age at which CIA employees were expected to retire under the Civil Service System.

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1966 June: The Retirement and Counseling Staff was established under [REDACTED] to plan 25X1A and implement a major program in that area.

1967 May: The major benefits of staff employment, Civil Service Retirement, Federal Employees Group Life, and Health Insurance were extended to US citizen contract employees by agreement with the Civil Service Commission.

August: The Administrative Authorities Task Force was established by the DDS (Robert Bannerman) "to make sure that travel expenses, allowances and other fringe benefits provided to Agency employees were as favorable as those provided in existing laws to other Federal employees." [REDACTED] of the Office of Personnel was made Chairman of the Study Group of the Task Force. 25X1A

January to December: Incidents with campus radicals peaked and interfered with recruiting efforts on 27 campuses. Despite that fact, some 2,800 staff employees and several hundred contract employees were recruited for another peak recruiting year.

1968 February: Robert Wattles succeeded Emmett Echols as Director of Personnel thus ending the longest incumbency in that office.

March: The post of Deputy Director of Personnel, Special Programs, was established in another reorganization of the Office of Personnel which placed all benefits and services, personal affairs, insurance, retirement affairs, and contract personnel administration under that official. In the reshuffle, the DD/Pers/Operations post was dropped and the records and control function placed with plans and classification and wage under DD/Pers/Planning and Control.

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Appendix CPersonnel Directors, 1947-72

<u>FROM</u>	<u>TO</u>	<u>Personnel (Officer)</u> <u>(Director) CIA</u>
2 May 47	30 Jul 51	William J. Kelly
		<u>Assistant Director (Personnel)</u>
16 Jul 51	14 Apr 52	[REDACTED] 25X1A
16 Apr 52	1 Aug 52	Col. Matthew Baird (Acting)
1 Aug 52	30 Jun 53	[REDACTED] 25X1A
18 Jan 54	16 Feb 55	Harrison G. Reynolds
		<u>Personnel Director</u>
30 Jul 51	3 Mar 52	George E. Meloon (Acting)
21 Apr 52	18 Jan 54	George E. Meloon
		<u>Deputy Assistant Director (Personnel)</u>
18 Jan 54	Mar 55	George E. Meloon
		<u>Director of Personnel/DDS</u>
3 Feb 55	Jan 57	Harrison G. Reynolds
18 Jan 57	6 Jun 60	Gordon M. Stewart
6 Jun 60	1 Feb 68	Emmett D. Echols
1 Feb 68	Dec 70	Robert S. Wattles
Jan 71	Current (1972)	Harry B. Fisher

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Appendix E

List of Background Documents*

Chapter 1

1. Meloon Memo, 15 Oct 47.
2. Exchange of Correspondence, Aug 59, DCI and the Civil Service Commission, on adherence to the Classification Act.
3. OSS Strength, 1945-46, OSO EOD's, 1947, as indexed in Historical Staff Registry.
4. Excerpts from Studies in Intelligence, CIG, under Souers.
5. Memo of Conversation with Emmett Echols, 25 Nov 68, on period between OSS and CIA.
6. Set 48, Tables, Qualifications of ORE and CIA Professionals, Attrition Rates.
7. Excerpt, Questions for Personnel Division, Number of Recruiters, 1947-51, Personnel Organization, Civil Service Status.
8. CIA Organization Chart, 1949, showing three way split in Personnel function.
9. Functions of the Agency Personnel Officer, 1949.
10. Functions of the Covert Support Staff.

25X1A

11. [REDACTED] defining fourteen categories of Personnel, 10 Aug 51.

25X1A

12. Interview with Dr. [REDACTED], 28 Jan 51. Subject: 'D' STR Pool.

25X1A

13. Memorandum for Chief, Historical Staff, 25 Nov 70, from Assistant General Counsel, [REDACTED] clarifying early authorities and successive organizations.

25X1A

14. Nov 70 Interview Notes, William J. Kelly, dealing with his regime as Personnel Director, 1947-51; Biographic Profile, William J. Kelly.

15. 14 Aug 50 Memo to Loyalty Review Board.

16. [REDACTED] Draft Manuscript, 1969, Office of Personnel History, 1945-52.

* The list of material forming the general documentary background of the various chapters has been included for two reasons. It shows the author's sources of documentary information. It organizes the material for the researcher who may be interested in greater depth on a given topic than is possible in the "Overview". The documents have been placed in the CIA

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Chapter II, Background Documents

1. Remarks of General Walter B. Smith on Career Service in CIA. Eighth Agency Orientation Course, 21 Nov 1952.

2. Excerpts from Minutes of DCI Staff Meetings 27 Oct 1952, 2 Jun 1952, 11 Aug 1952, 10 Dec 1951, 17 Sep 1951; Dealing with Personnel and Career Program matters.

25X1A 3. Chronology of the Career Service Program Dec 1950 to Feb 1962 as prepared by [redacted] in Feb 1971.

25X1A 4. Career Council, Number of Meetings and Major Topics by years as prepared by [redacted] in Feb 1971.

25X1A 5. [redacted] Career Service Program, 19 Jun 1952.

6. Memorandum for Chairman, CIA Career Service Board, Functional Responsibilities of the Professional Selection Panel, 25 Oct 1952.

7. Tentative Statement of Selection Criteria Bearing on Suitability for Career Service in CIA; Definition of Professional Positions.

25X1A 8. [redacted] Determination of Initial Career Service Designations.

9. Excerpt from Allen Dulles, "The Craft of Intelligence" refuting the Ivy League image.

10. Career Service Letter No. 1 from Chairman, Career Board (Lyman Kirkpatrick) to Office Boards, 10 Jul 1953.

25X1A 11. [redacted] Composition of CIA Career Service Board, 16 Jan 1953.

12. Assignment of Rotation Loan Slots, 1954.

25X1A 13. The Career Staff of the CIA [redacted]

25X1A 14. [redacted] Summary of Information Presented at CIA Career Conference, 3 Aug 1954.

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15. 29 Apr 54, Survey of Opinion Re the Career Service.
16. Agenda for the Career Council, 2nd Meeting, Thursday, 30 Sep 54.
17. Organization of the CIA Selection Board and Panel of Examiners.
18. Notes on Program for the Career Council, 19 Mar 57. 25X1A
19. The CIA Career Council and the Career Services, [REDACTED] 55.
20. Summary Report, Activities of the Career Services, 1 Jul 55 - Sep 55.
- 25X1A 21. [REDACTED] the Career Staff of the CIA, Clarifying Application for Membership, 15 Oct 54.
22. Memo for DCI, dated 3 May 55, from IG, Report on Career Services as Reflected in IG Reports.
- 25X1A 23. [REDACTED] Application for Membership by Overseas Employees.
- 25X1A 24. [REDACTED] 54 15 [REDACTED]
25. 25 Oct 55 corresp Chief of Operations, DDP on IG Survey of EE Career Management. 25X1A
- 25X1A 26. Memo for the Record, 19 Oct 59, [REDACTED] Conversation with Miss [REDACTED] Re Career Staff, 1954-56.
27. Roster of Career Service Boards and Panels as of 1 Sep 55.
28. Same, as of 1 Jul 56.
29. Memo for the Record, Possible Conflicts Between CIA Career Service Plan and Statutory Rights of Veterans, 6 Sep 55.
30. Excerpts from Kirkpatrick Book, "The Real CIA," (the MacMillan Co., 1968) dealing with the Junior Officer Program, the Career Program, the 1964 Manpower Freeze, etc., excerpted by [REDACTED] in Jan 71. 25X1A
- 25X1A 31. Career Planning for Individuals, [REDACTED] Career Preference Outline.

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25X1A 32. Competitive Promotion, [REDACTED].

33. Guide for Competitive Evaluation Panels, [REDACTED] 25X1A

34. The Career Conversion Program (otherwise unidentified paper).

25X1A 35. [REDACTED] List of the Career Services, 8 Aug 67.

36. Chart, Organization for Career Management, Office of Communications, Dec 70.

37. Memo to DCI, dated 26 May 1960, from D/Pers commenting IG's Survey.

38. Inspector General's Survey of the CIA Career Service.

39. DDS Response, 19 May 1960 and Attachment A: Col White's paper on Philosophy of the Career Service.

40. 1953 Personnel Career Service Booklet.

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Chapter III, Background Documents, Folder 1

1. Proposed Table of Organization for Personnel Office, 24 Jul 1951.
2. Office of Personnel Organization charts, 19 Feb 51, 2 Feb 53, 5 Feb 53, 18 Jan 54, May 58.
3. 1952 Historical Statement for the Personnel Office 1947-52.
4. Historical Outline, Development of EDP and ADP Capabilities.
5. Outline, Development of Agency Personnel Records and Reports.
6. Allen Dulles's Statement on 1953 Reorganization of Agency.
7. Excerpts from Kirkpatrick book, "The Real CIA," on the JOT Program and the Director of Training.
8. Oral History Transcripts: George Meloon.

25X1A

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9. Excerpts from Memo to DCI from IG, 2 Dec 53 (excerpts prepared by [REDACTED] Jan-Feb 71). Subject: Survey of Personnel Office.
10. Excerpts from Annex 1 to 2 Dec 53 Memo. (Comments of 28 Office Heads and Division Chiefs on Personnel Administration as 'digested' by [REDACTED] 1971.)
11. Memo for the DCI dated 15 Jan 54 from Personnel Director. Subject: IG Report on the Personnel Office.
12. Memo for the DCI dated 18 Apr 55 from Director of Personnel. Subject: Progress Report on Ten Points.

Related Material

Background Material Prepared for IG, 1953,
Survey of Personnel Office
30 Nov 53 IG Survey Report and List of Annexes.
2 Dec 53 IG Eyes Only Memo to the DCI Transmitting
Report
Annex I to Report and Annex I
2 Feb 1954 Memo to D/AD/Pers from C/PRDS/OP Problems

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13. T/O and Personnel Strength for Selected Offices, 28 Feb 53.
14. Unidentified 'grass roots' report taken from 1954 Personnel Office Progress Report Critical of Pers/Admin in the Operating Components.
15. 1 Oct 54 Spread Sheets: 52 Steps in Processing SF-52 Request for Promotion; 42 Steps in Processing SF-52 Request for Reassignment; 39 Steps in Processing SF-52 Request for Change to Lower Grade.
- 25X1A 16. 22 Jul 54 Memo to Chief, PAS/OP from Executive Office (Charles [REDACTED] Subject: Reduction in Agency Strength.
17. 24 May 54 Memo to Chief of Admin/DDP from AD/Pers. Subject: Surplus Personnel.
18. Excerpts from 7 May 56 Memo from DDS. Subject: Termination of Agency Employees and IG Memo, 24 Feb 56, Termination of Mediocre Employees is advisable in the interest of the United States under Section 102(E) of the 1947 Act.
19. Copy of 5 Aug 55 Memo to DDP, DDI, and DDS. Subject: Personnel requesting re-examination of personnel requirements to avoid increase in Agency strength.
20. Excerpts from 15 Nov 55 Memo to DCI from Chairman, Career Council. Subject: Revised Promotion and Assignment Policies.
21. Personnel Lecture Series, Title and Lecturer (Curie College) 24 Jan 55.
- 25X1A 22. [REDACTED] Assignment to Key Position, Office of Personnel and Organizational Chart.
23. Major Personnel Changes in OP during Calendar Year 1956.
24. Aids to Personnel Management: Anonymous Memo to IG from a Senior Official presented at 22nd Meeting of Career Council, 19 Apr 56.
- 25X1A 25. Apr 56 Presentation, Staffing/Development, Initial Installation Office of Communications [REDACTED], Tables of Organization 1 May 56.
- 25X1A 26. [REDACTED] Procedures for Ceiling and Position Authorization.
- 25X1A 27. [REDACTED], Assignment to Positions in Grades GS-12 through 15 (notification of Office of Personnel prior to).

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- 28. Brief for Career Council, Agency Compensation System, 19 Mar 58.
- 29. Manpower Control System: Excerpt on Flexible T/O Concept from Unit History, P.M.C.D.
- 30. Name of the Game: Some notes on the 1950's by [REDACTED] from 25X1A Unit History, P.M.C.D.
- 25X1A 31. Some notes on the Office of Personnel between 1958 and 1956 from [REDACTED] History, DD/A and DD/S.
- 32. 23 Dec 57 Memo to D/Pers from Chief, OPS, DDP: Status of Competitive Promotion Program.
- 33. 19 Dec 57 OP Procedural Study of Selected DDP Transactions.
- 34. 9 May 58, Briefing for Career Council. Subject: Competitive Promotion.
- 25X1A 35. Questions and Answers from [REDACTED] 1958 Study: In what ways during the 1953-56 period did CIA use its relative independence in personnel matters of legislative restrictions imposed on most government agencies?
- 36. Excerpt for Weekly Summary Report, 10 Jan 55, Transfer of 40 Career Development Slots from OTR to OP ([REDACTED] 1958 Study). 25X1A
- 25X1A 37. [REDACTED] Implementing E.O. 10590 dated 18 Jan 55 Prohibiting Discrimination in Government Employment.
- 38. 1958 Organization Chart, OP.
- 39. 17 Feb 58 Memo (copy) to DDP, DDI, DDS and DDC (Coordination) from the DCI. Subject: Selection Out Procedures.
- 25X1A 40. [REDACTED] Notes for Meeting with Mr. [REDACTED] (on CS Career Program), 25X1A 18 March 1958.
- 25X1A [REDACTED], Career Planning for Individuals, 8 Oct 1956; Career Preference Outline; Recission [REDACTED]

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Chapter III, Overview History, Folder 2, Background Documents (cont'd)

42. Code of Ethics for Government Service (1958).

43. Briefing for Career Council, 6 May 58. Subject: Review of Personnel Management. Attachments include 6 Sep 57 Memo for DCI from D/Pers, Role of the Director of Personnel, Chronology of Correspondence Role of the Director of Personnel, and the Staff Study Role of the Director of Personnel.

44. 23 Mar 59 Memo for Acting Deputy Director, Support from D/Pers. Subject: Revision of Planning Paper for the Office of Personnel.

25X1A 45. [REDACTED] One Grade Advancement Policy.

46. 25 Sep 59 Memo for DCI from D/Pers, Approval of Recruitment and Appointments at GS-07 and above.

47. Plans Staff Progress and Plans Report for FY 59.

48. Chronology of Plans Staff.

49. 1959 Hump Study.

50. Transcript of 7 May and 11 May 71 Interviews for Oral History, Gordon Stewart.

51. Memo dated 7 Jul 58 for Chairman, Career Council from the DDS, Agency Policy on Length of Overseas Tour of Duty.

52. Transcript of Tapes 9 and 10, Interview with Lawrence K. White, 5 Mar 71. Subject: Pers/Admin in the Fifties.

53. Transcript of Tape 11, Interview with [REDACTED] 2 Apr 71. 25X1A Subject: Problems of Pers/Admin in the 1955 to 1958 period.

54. Transcript of Tapes 12 and 13, Interview with Gordon Stewart, Director of Personnel, 1957-60. Subject: Problems of the late Fifties.

55. Transcript of Tape 8, Interview with [REDACTED] 19 Feb 71, 25X1A Recruiting 1951-52, Executive Officer Duties 1954-57, Impressions of Various Personnel Officers.

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Chapter IV, Background Documents

1. Interview Transcripts with Emmett Echols.
2. Echols' Biographic Profile and Interview Outline.
3. Memo dated 30 May 1960 to DDS and IG from DDCI. Subject: Inspector General's Survey of the Office of Personnel. (Complete file on Survey in OP Historical Files.)
4. Memo dated 24 Oct 1960 to DDS from D/Pers. Subject: Responses to the Inspector General's Report on Training in the CIA plus Comments on Ten Recommendations sent to D/Pers for Action.
5. Memo dated 29 Dec 1961 to DDS from [REDACTED] Recruitment and 25X1A Selection of Staff Employees: An Appraisal.
6. Echols' Jul 1962 Memo for Task Force on Agency Personnel Program.
7. Memo dated 31 Aug 1962 for Acting DCI from DDS; Comments concerning the Report of the Task Force on Personnel Management in CIA.
8. Memo dated 18 Jan 1962 for Division and Staff Chiefs, Office of Personnel from D/Pers. Subject: Responsibility of the Director of Personnel for Monitoring the Administration of the Agency's Personnel Programs, Plans Staff Recap of Responsibilities. (Complete file of responses in OP Historical Files "Monitoring Responsibilities," paper from OP Divisions, Feb 1962.)
9. Memo dated 15 May 1962. Subject: Projection of Recruitment Workload.
10. 21 Oct 1962 Memo to DDS from D/Pers. Subject: Utilization of Negro Employees.
11. Minority Report as of 30 Jun 1963.
12. Status Report dated 10 Jan 1964. Subject: Clandestine Service and Career Service Surplus Personnel.
13. Memorandum for the Record dated 18 Jun 1964, [REDACTED] Chief, 25X1A Salary and Wage Division. Subject: Relative to Action on Executive Director's Action Memorandum A-378 dated 19 May 1964 on Reducing Headroom.

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14. Bureau of the Budget on Grade Escalation and Agency Experience from 1962-64.

15. Memo dated 28 Jul 64 for D/Pers from C/POD/OP. Subject: Annual Report Discussing Effect of Personnel Freeze on Personnel Operation.

16. 29 Jul 65, Annual Activity Report, Personnel Operations Division.

17. Paper on Super Grade Positions from Unit History of P.M.C.D.

25X1A 18. [REDACTED] Management of Super Grade Positions, 5 Dec 59.

19. Memo for the Record dated 10 Jan 64. Subject: IG Survey of the Office of Personnel. Preliminary outline by [REDACTED].

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20. Memo dated 5 Oct 64 for DDCI from the DDS. Subject: Inspector General's Report of the Survey of the Office of Personnel (D/Pers working file of 1964 Survey in OP Historical Files).

21. Memo dated 5 Jun 64 to the DDCI from the IG. Subject: Proposal for Quarterly Statistical Reporting of CIA Non-Staff Personnel. (An outcome of the IG Survey.)

22. Memo dated 18 Apr 64 for [REDACTED] from D/Pers. Subject: CSC/CIA Outer Agency Agreement. (an outcome of the IG Survey.)

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23. Memo dated 22 Jul 64 for DDP, DDI, DDS, DDS&T from D/Pers. Subject: Review of Career Management Activities. (D/Pers working file containing responses of the 22 individual Career Services is in the OP Historical Files.)

24. OP Memo 1-14-7 dated 28 Mar 66. Subject: Reorganization of the Office of Personnel (addition of three Deputy Directors).

25. List of 20 Series Personnel Regulations.

26. 1 Aug 67, Study of first Ten Years of CT Classes, 1961 and 1971.

27. Memo dated 1 Jun 67 for DDS from D/Pers. Subject: Inspector General's Survey of the Career Training Program (the complete Survey is in the OP Historical Files).

28. Memo dated 19 May 67 for D/Pers from C/PRS/OP. Subject: Comments on IG Study. (Identifies Recommendations).

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29. Memo for DDS dated 22 Oct 68 from D/Pers, Suggested Language on Reasons for CIA Exemption from Civil Service (for the [REDACTED] Review). 25X1A

30. Memo dated 26 Feb 68 for Chairman, Professional Manpower Committee from C/PRS/OP. Subject: Recruitment of Quality Personnel.

31. Briefing Paper dated 1 Feb 68 for Professional Manpower Committee. Subject: Factors Effecting Junior Professionals Entering in Recent Years.

32. Interview Transcript with Lawrence K. White dated 26 Jul 71. Subject: Personnel Administration Problems of the Sixties.

25X1A 33. Memo dated 22 October 68 for the DDS from D/Pers. Subject: "The [REDACTED] Review" Rationale for Separate Administration of Agency Personnel.

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1. List of Unit Histories used as Sources for Chapter V.
2. Memorandum dated 1 Oct 1953 to DCI. Subject: Liberalized Retirement System for CIA Employees.
3. Memorandum dated 26 Oct 1953, Multiple Address, from DCI. Subject: Establishment of CIA Welfare Board.
4. Memorandum dated 9 Oct 1953 for Chairman, CIA Career Service Board. Subject: Final Report of the Legislative Task Force. (Annexes and background material contained in file folder in OP Historical Files.)
5. Staff Study dated 29 March 1954. Subject: Legislative Program Supporting Career Service. (File of subsequent reports on Proposed Legislation from Oct 1954 to Sep 1956 is in OP Historical Files.)
6. Memo dated 25 Oct 1954 to AD/Pers from C/PAS/OP. Subject: Proposals for Legislation of Interest to CIA.
7. Minutes of 21st Meeting, CIA Career Council on 29 Mar 1956 containing reasons for deleting retirement proposal from legislative package; Chart opposing (CIA and BOB) views of Accelerated Retirement. (File on proposed Retirement Programs from 1956 - 1957 in OP Historical Files.)
8. Letter dated 13 Apr 1956 to Honorable Richard M. Nixon, President of the Senate, from Allen Dulles, Director, forwarding draft of legislation to amend the CIA Act of 1949 together with a Sectional Analysis of that Legislation 'Copy of the Bill.
9. Minutes of 20th Meeting, Career Council on 15 Mar 1956 to consider staff study on Incentive and Honor Awards.
10. Staff Study, Incentive and Honor Awards, dated 7 Mar 1956 containing Recommendations of Task Force.
11. Special Report dated Feb 1965 on CIA Honor and Merit Awards.
12. Annual Report, Fiscal Year 1961, on Benefits and Services Division.
13. Transcript of 27 Oct 1971 Interview with [REDACTED] on the 25X1A Benefits and Services Program.

List of Unit Histories used as Background Material for Chapter V. (Some of these are not published but all are contained in the OP Historical Files.)

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25X1A Tape 3 - Third Interview, William J. Kelly, 13 November 1970. Subject: Smith-Jackson Impact on Pers/Admin, December 1950 - July 1951.

25X1A Tape 4 - Interview, , 23 December 1970. Subject: Clandestine Services Career Board, 1952-60.

25X1A Tape 5 - Interview, 12 January 1971. Subject: Position Classification and Related Matters, 1952-60.

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25X1A Tape 8 - Interview, , 19 February 1971. Subject: Personnel Office, March 1951-57 as seen by the Executive Officer.

Tape 9 - Interview, Lawrence K. White, 5 March 1971. Subject: The AD/Pers, the Personnel Director and the Office of Personnel, 1952-55.

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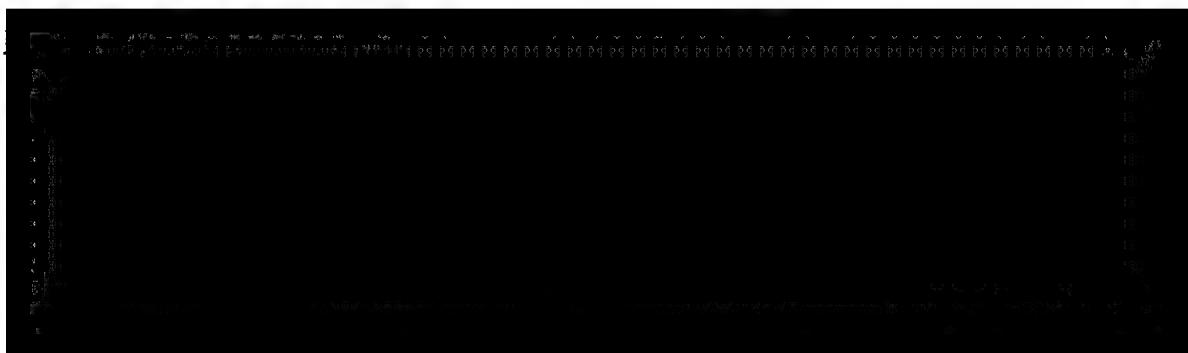
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